

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION**

Bedrock Computer Technologies LLC,

Plaintiff,

v.

SoftLayer Technologies, Inc., et al.,

Defendants.

Case No. 6:09-CV-269-LED

JURY TRIAL DEMANDED

**ADDITIONAL BRIEFING IN SUPPORT OF DEFENDANTS' MOTION IN LIMINE #4
[DKT. NO. 604] AND IN OPPOSITION TO PLAINTIFF'S MOTION IN LIMINE 'A' AND
'I' [DKT. NO. 587]**

I. SUMMARY

The PTO decided to conduct a second reexam of the '120 patent based on prior art the PTO considered in the first reexam because the PTO realized it likely made a material mistake in interpreting important teachings of the prior art. Despite realizing that it made a material mistake in the first reexam proceeding, the PTO issued the reexam certificate in the first reexam because the PTO's procedure requires it to do so. Defendants submit that the Court should exclude evidence of both reexams. Should the Court allow evidence of the first reexam, however, the Court should admit evidence of both reexams because they are inextricably intertwined.

II. IN GRANTING THE SECOND REEXAM, THE PTO REALIZED IT MADE A MATERIAL MISTAKE IN THE FIRST REEXAM

The *ex parte* petition for the first reexam was filed with the PTO on February 9, 2010. The petition for the *ex parte* second reexam was filed on January 10, 2011. The PTO issued a notice that it intended to issue a reexamination certificate ("NIRC") in the first reexam on January 14, 2011. About one month later, on February 22, 2011, the PTO issued an order granting the second reexam. In its order, the PTO found substantial new questions of patentability with two of the prior art references, U.S. Patent No. 4,695,949 ("Thatte") and U.S. Patent No. 6,119,214 ("Dirks"), at issue in the first reexam. The PTO found that, even though the two references were considered in the first reexam, the petition for the second reexam presented the two references "in a new light." Dkt. No. 608, Exh. A of Whitehurst Decl. at 9-10.

The PTO explained that it saw the Thatte prior art "in a new light" because, even though the PTO found that in the first reexam "Thatte allegedly did not teach the removal of records when the linked list was accessed because the insertion of records operation is suspended while reconciliation/removal is performed," the PTO now realizes that portions of Thatte suggest "an alternative interpretation whereby the reference count filter is inherently accessed while

reconciliation/removal is taking place.” *Id.* at 10. The PTO also explained that it saw the Dirks prior art “in a new light” because, even though the PTO found that in the first reexam “Dirks allegedly did not teach the claimed linked list and Dirks was found to not be combinable with Morris,” the PTO now realizes that portions of Dirks “suggest that a linked list may be inherently taught or that it may at least not be incompatible to combine Dirks with a reference teaching a similar system employing linked lists.” *Id.* at 11.

Thus, the PTO recognized that it made a mistake in the first reexam by misinterpreting and/or not fully appreciating material teachings of Thatte and Dirks. By granting the second reexam petition, the PTO acknowledged that it now saw those references “in a new light” to find a “substantial new question” of patentability.

III. THE SECOND REEXAMINATION PROCEEDING IS INEXTRICABLY INTERTWINED WITH THE FIRST REEXAMINATION PROCEEDING

During the first reexam, Bedrock submitted an angled expert declaration that did not give the PTO all the relevant facts. The Requestor of the second reexam submitted an expert declaration in response to Bedrock’s expert declaration, identifying facts Bedrock’s expert ignored. Upon examining the facts in light of both declarations, the PTO found in the second reexam a substantial new question of patentability for the ’120 patent in light of a more complete exploration of the same prior art examined in the first reexam. *See* Dkt. No. 608, Exh. A of Whitehurst Decl. at 9-11.

In the second reexam, the PTO is continuing the examination began in the first reexam to address the “new light” in which it now sees the prior art. In the second reexam, the PTO *acknowledged* that, while Thatte was at issue in the first reexam, it nevertheless qualified as prior art for purposes of the second reexam:

US Patent No. 4,695,949 issued to Thatte et al on September 22, 1987 (hereafter “Thatte”) that *was cited in earlier reexamination*. Thatte qualifies as prior art under §102(b).

Id. at 5 (emphasis added). In justifying the second reexam, the PTO also stated:

In this instant Reexamination, the Request has set presented [sic] Thatte in a new light and cited further portions of Thatte that suggesting an alternative interpretation . . . These cited teachings are new and non-cumulative and *are relevant to the reasons for confirmation of claims in the [first] proceeding*. Accordingly, they would be important to a reasonable Examiner in determining the patentability of the claims.

Id. at 10 (emphasis added).

In both reexams, the PTO also found substantial new questions of patentability with respect to Dirks in combination with other references. The PTO, in its decision to grant the second reexam, acknowledged “[i]n the [first] proceeding, Dirks was considered and was found to not teach the distinguishing features of the claimed record search means because Dirks allegedly did not teach the claimed linked list and Dirks was found to not be combinable with Morris.” *Id.* at 11. In the second reexam, the PTO found that Dirks “suggest[s] that a linked list may be inherently taught or that it may at least not be incompatible to combine Dirks with a reference teaching a similar system employing linked lists.” The PTO in the second reexam thus found that Dirks is “new and non-cumulative” and “relevant to the reasons for confirmation of claims in the [first] proceeding.” *Id.*

Even though the PTO has issued its reexamination certificate in the first reexam, the PTO has now called into question its own findings. Evidence of the first reexam without evidence of the second reexam, is incomplete and misleading as to the true USPTO record.

IV. THE PTO PROCEEDED WITH THE REEXAMINATION CERTIFICATE IN THE FIRST REEXAM BECAUSE THE PTO’S STATED PROCEDURES REQUIRE IT TO DO SO

Despite realizing that it likely made a material mistake in the first reexamination proceeding, the PTO issued the reexamination certificate in the first reexamination (rather than merging the two reexamination proceedings and withdrawing its notice of intent to issue a reexamination certificate in the first proceeding) because the PTO's procedures—as set out in the MPEP and the CFR—require it to do so. Those procedures state that two co-pending reexamination proceedings “will usually be merged” only if the first one “has not been terminated.” 37 C.F.R. § 1.565(c). Here, the first reexam was terminated before the second reexam was granted. “A NIRC informs the patent owner and any third party requester that the reexamination prosecution has been terminated.” *See, e.g.,* MPEP 2287, paragraph 6. The first reexam terminated when the PTO issued the NIRC on January 14, 2011, well before the PTO granted the second petition for reexamination on February 22, 2011. Under the PTO's rules, the two reexamination procedures could not have been merged.

Furthermore, failure to conclude the first reexamination is contrary to federal statute.

The MPEP explains:

Pursuant to 35 U.S.C. 305, ‘[a]ll reexamination proceedings under this section will be conducted with special dispatch within the Office.’ This statutory provision is grounded on the need for certainty and finality as to the question of patentability raised by the request for reexamination. Thus, if a second request for reexamination will unduly delay the first reexamination proceeding, the two proceedings generally will not be merged. *If the Office were to merge the two proceedings, the first reexamination proceeding would need to be withdrawn from its place in the process, thus delaying, instead of advancing, prosecution. This would run contrary to the statutory ‘special dispatch’ requirement of 35 U.S.C. 305 and its intent. On the other hand, if the Office does not merge, the first reexamination proceeding can be concluded, and any substantial new question of patentability raised by the second reexamination request can be resolved in the second proceeding, with no delay resulting.* The second request is then considered based on the claims in the patent

as indicated in the issued reexamination certificate, rather than the original claims of the patent.

MPEP 2283(V) (emphasis added).

In short, the issuance of the first reexam certificate does not reflect finality or lack of mistake by the PTO. Rather, the first reexam certificate reflects the fact that the PTO was following its own procedures.

V. THE COURT SHOULD EXCLUDE EVIDENCE OF EITHER REEXAM, BUT IF IT ALLOWS EVIDENCE REGARDING THE FIRST REEXAM, THE COURT SHOULD ALLOW EVIDENCE REGARDING THE SECOND REEXAM

The Court should not allow evidence of either reexam. Should it allow evidence of one, however, it should allow evidence of both. It would be fundamentally unfair to allow evidence of the first reexam while not allowing evidence of the second reexam, because to do so would provide the jury with an incomplete and inaccurate understanding of the reexamination status.

VI. CONCLUSION

For the forgoing reasons, the Defendants respectfully request the Court exclude mention of either reexam. However, to the extent the Court allows Bedrock to present evidence of the first reexam, the Defendants should be allowed to present evidence of the second reexam.

Respectfully submitted, this the 29th day of March 2011.

/s/ Yar R. Chaikovsky (with permission)

Yar R. Chaikovsky
ychaikovsky@mwe.com
John A. Lee
jlee@mwe.com
Bryan K. James
bjames@mwe.com
MCDERMOTT WILL & EMERY LLP
275 Middlefield Rd., Suite 100
Menlo Park, CA 94025
Tel: 650.815.7400
Fax: (650) 815-7401

Christopher D. Bright
cbright@mwe.com
MCDERMOTT WILL & EMERY LLP
18191 Von Karman Ave, Ste. 500
Irvine, California 92612
Tel: 949.757.7178
Fax: 949.851.9348

Natalie A. Bennett
nbennett@mwe.com
MCDERMOTT WILL & EMERY LLP
227 West Monroe
Chicago, IL 60614
Tel: 312.984.7631
Fax: 312.984.7700

Jennifer Doan
Texas Bar No. 08809050
jdoan@haltomdoan.com
J. Scott Andrews
Texas Bar No. 24064823
sandrews@haltomdoan.com
HALTOM & DOAN
Crown Executive Center, Suite 100
6500 Summerhill Rd.
Texarkana, Texas 75503
Tel: 903.255.1002
Fax: 903.255.0800

Attorneys for Defendant Yahoo! Inc.

/s/ Rachel M. Capoccia

Rachel M. Capoccia
alan.whitehurst@alston.com
Marissa R. Ducca
marissa.ducca@alston.com
ALSTON & BIRD LLP
The Atlantic Building
950 F Street, N.W.
Washington, DC 20004
Telephone: (202) 756-3300
Facsimile: (202) 756-3333

Frank G. Smith
frank.smith@alston.com
ALSTON & BIRD LLP
One Atlantic Center
1201 West Peachtree Street
Atlanta, GA 30309
Telephone: (404) 881-7240
Facsimile: (404) 256-8184

Louis A. Karasik (pro hac vice)
lou.karasik@alston.com
Rachel M. Capoccia
rachel.capoccia@alston.com
ALSTON & BIRD LLP
333 South Hope Street
16th Floor
Los Angeles, CA 90071
Telephone: (213) 576-1148
Facsimile: (213) 576-1100

Deron R. Dacus
Texas Bar No. 00790553
derond@rameyflock.com
RAMEY & FLOCK, P.C.
100 E. Ferguson, Suite 500
Tyler, Texas 75702
Telephone: (903) 597-3301
Facsimile: (903) 597-2413

Attorneys for Defendants MySpace, Inc. and AOL Inc.

/s/ John C. Alemanni (with permission)

Steven Gardner
E. Danielle T. Williams
John C. Alemanni
Alton Absher III
KILPATRICK TOWNSEND &
STOCKTON LLP
1001 West 4th Street
Winston-Salem, NC 27101
Telephone: 336-607-7300
Fax: 336-607-7500

William H. Boice
Russell A. Korn
KILPATRICK TOWNSEND &
STOCKTON LLP
1100 Peachtree Street, Suite 2800
Atlanta, GA 30309-4530
Telephone: 404-815-6500
Fax: 404-815-6555

J. Thad Heartfield
Texas Bar No. 09346800
thad@jth-law.com
M. Dru Montgomery
Texas Bar No. 24010800
dru@jth-law.com
THE HEARTFIELD LAW FIRM
2195 Dowlen Road
Beaumont, TX 77706
Telephone: 409-866-2800
Fax: 409-866-5789

*Attorneys for Defendants SoftLayer
Technologies, Inc. and Amazon.com Inc.*

/s/ Todd M. Briggs (with permission)

Claude M. Stern
claudestern@quinnemanuel.com
Todd M. Briggs
toddbriggs@quinnemanuel.com
QUINN EMANUEL URQUHART &
SULLIVAN, LLP
555 Twin Dolphin Dr., Suite 560
Redwood Shores, CA 94065
Telephone: 650-801-5000
Facsimile: 650-801-5100

Michael E. Jones
State Bar No. 10929400
mikejones@potterminton.com
POTTER MINTON
110 N. College
Tyler, Texas 75702
Telephone: (903) 597-8311
Facsimile: (903) 593-0846

Attorneys for Defendant Google Inc.

CERTIFICATE OF SERVICE

This is to 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 CM/ECF system per Local Rule CV-5(a)(3) on this 29th day of March, 2011. Any other counsel of record will be served by first class mail.

/s/ Rachel M. Capoccia