

**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.

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CASE NO. 6:09-cv-269-LED

Jury Trial Demanded

**PLAINTIFF’S RESPONSE IN OPPOSITION TO
DEFENDANTS’ MOTION FOR LEAVE TO SERVE AN EXPERT REPORT
REGARDING REEXAMINATION PROCEDURES
IN THE UNITED STATES PATENT AND TRADEMARK OFFICE [DKT. NO. 668]**

I. INTRODUCTION

Plaintiff Bedrock Computer Technologies LLC (“Bedrock”) respectfully submits its response in opposition to Defendants’ Motion for Leave to Serve an Expert Report Regarding Reexamination Procedures in the United States Patent and Trademark Office (“USPTO”). (Dkt. No. 668.) Defendants’ motion should be denied as untimely because it seeks to add expert testimony and discovery less than two weeks before trial and after the relevant deadlines have passed. Defendants’ have had ample notice that the reexamination of United States Patent Number 5,893,120 (“the ‘120 Patent”)—and specifically the USPTO’s ultimate determination that the ‘120 Patent is valid housed within its Notice of Intent to Issue Reexamination Certificate (“NIRC”)—is important to the issues in this case. Despite such knowledge, Defendants did not seek to offer expert testimony related to reexamination procedures until this late date. If Defendants are permitted to serve an expert report, Defendants’ delay would cause Bedrock to suffer material prejudice. Accordingly, Bedrock respectfully requests that the Court deny Defendants’ motion and preclude the untimely disclosure of the proposed expert testimony.

II. ARGUMENT

A. Defendants’ Motion is Untimely.

The Court should deny Defendants’ motion because it is untimely. Although the relief Defendants seek is characterized as mere permission to “serve an expert report,” Defendants’ motion is not so limited. In reality, Defendants’ motion seeks permission to disclose an expert witness, obtain expert discovery, and serve an expert report after the expiration of the applicable deadlines. (*See* Dkt. No. 375.) Equally importantly, Defendants request to proceed with all of the requested actions despite the fact that trial is less than two weeks away. By agreement of the parties, as subsequently confirmed by Court order, expert disclosures and expert reports were

due no later than January 25, 2011. (Dkt. No. 375.) Expert discovery closed on February 11, 2011. (Dkt. No. 375.) These deadlines have expired, and there is no compelling reason that expert testimony is necessary at this late stage in litigation.

Moreover, Defendants' reasons for serving the proposed expert report do not rise to the level of necessity sufficient to justify the substantial prejudice that would result to Bedrock. Defendants seek permission to serve the proposed expert testimony in order to mitigate the remote risk that the jury would be confused when confronted with evidence of the "dual" reexamination proceedings. (*See* Dkt. No. 688.) As an initial matter, however, the risk that the jury will be confused has been ameliorated by the Court's order granting Defendants' *motion in limine* number 4, thus precluding Plaintiff from offering evidence or argument regarding the '120 Patent's reexamination proceedings. (*See* Dkt. No. 680.) As Defendants admit, there is no need to present expert testimony regarding reexamination procedures if evidence or argument of reexamination proceedings will not be presented to the jury. (*See* Dkt. No. 668, at 5 ("Defendants' need for an expert of reexam procedures only arises if this Court denies their motions in limine.")) Accordingly, Defendants' motion fails to illustrate why the expert report is necessary. To the extent that the Court granted Defendants' *motion in limine* without prejudice to approach the bench, thereby leaving a slight possibility that evidence of reexamination proceedings could be presented to the jury, expert testimony is still not necessary. Any alleged jury confusion resulting from testimony or argument related to the '120 Patent reexamination proceedings could easily be corrected by an instruction from the Court.

Further, Defendants' motion is based on the flawed assumption that the jury would be confused because it would be presented with evidence of the "dual" reexamination proceedings—both the first reexamination proceeding and the second, non-final reexamination

that is presently pending before the USPTO. The Court has not ruled, nor made any indication that both proceedings will be treated the same for admissibility purposes. As described in Bedrock's *motion in limine A*, the two reexamination proceedings should be treated differently because the first proceeding comprises a finalized determination that is probative of patent validity and willfulness, while the second non-final proceeding has no bearing upon the validity of a patent or issues of willfulness. (*See* Dkt. No. 587.) Should Defendants' assumption prove to be false, there would not be any risk of jury confusion that would warrant disclosure of the proposed expert report because the jury would only be presented with evidence of *one* reexamination proceeding. Should the Court permit reference to the first reexamination, but not the non-final second reexamination, Defendants' motion should also be denied as an improper backdoor attempt to offer inadmissible evidence through an expert under the guise of "guid[ing] the jury through what exactly the reexam means with respect to the prior art." (*See* Dkt. No. 668, at 2.) There is simply no compelling reason that Defendants should be permitted to serve an expert report at this late time. Accordingly, Defendants' motion should be denied. .

B. Defendants Knew the NIRC Resulting from Reexamination is Important to the Issues in This Case

Defendants' request to serve an expert report on reexamination procedures should be denied because Defendants have known that the NIRC resulting from the first *ex parte* reexamination proceeding was important to the issues of validity and willfulness, have had ample opportunity to offer (or request leave to offer) an expert report or expert testimony on reexamination procedures, yet have chosen to refrain from doing so until the final weeks before trial. Defendants cannot claim that any surprise or harm would result from proceeding on the path they have chosen. Accordingly, Defendants' motion should be denied. .

After considering all of the prior art references presented during the first *ex parte* reexamination proceeding, the USPTO concluded that the '120 Patent is valid in light of such prior art and issued its NIRC. (*See* Dkt. No. 410, at Ex. B.) Bedrock did not sit on this development, but promptly filed an amended complaint notifying Defendants of the NIRC and its relevance to Bedrock's theories of validity and willful infringement. (*See* Dkt. No. 410.) The importance of the NIRC's validity determination is illustrated within the Court's record, which is saturated with discussions regarding the NIRC in various filings and during multiple hearings. (*See* Dkt. Nos. 381, 410, 473, 496, 674; *see also* Transcript of Feb. 16, 2011 Hearing at pp. 11-13, attached as Ex. A.) Bedrock's continued intent to offer evidence related to the NIRC in support of its positions on validity and willfulness should come as no surprise to Defendants. Indeed, Defendants' motion recognizes that evidence of the reexamination proceedings is relevant to the issue of patent validity. (Dkt. No. 668, at 5.)

Although Defendants had notice of the first reexamination proceedings and the USPTO's resulting NIRC, Defendants participated in all of the above-referenced pre-trial proceedings without indicating any discomfort in presenting their case without expert testimony regarding reexamination procedures in the USPTO. Tellingly, the instant motion was not filed until after the Court's initial ruling on the parties' *motions in limine* (leaving open the possibility that evidence relating to the USPTO's validity determination would be presented to the jury) (Dkt. No. 660), and after the parties had submitted their trial exhibits. Despite the fact that the NIRC was attached as one of only two exhibits to Bedrock's complaint (Dkt. No. 410, at Ex. B), Defendants chose to engage in a trial strategy that avoided these issues completely. Now, a mere two weeks from trial, Defendants should not be permitted to serve an expert report in order to address their own oversights at Bedrock's expense.

C. Bedrock Would Suffer Undue Prejudice

Bedrock would suffer substantial prejudice if Defendants are permitted to disclose an expert on the topic of reexamination procedures, conduct expert discovery, and serve an expert report during the brief period before trial is scheduled to commence. Bedrock would be required to expend its limited resources to engage in activities such as reviewing the Defendants' proposed expert's report and opinion, researching the relevant issues, deposing the proposed expert, retaining and disclosing a rebuttal expert, submitting a rebuttal expert report, obtaining other expert discovery, and participating in motion practice with respect to the expert witnesses. Such a result would impose undue hardship on Bedrock's ability to effectively present its case, and Bedrock's limited resources would become further strained through no fault of its own. Although Bedrock does not wish to delay the date of trial, Bedrock would need to conduct the aforementioned activities in order to protect its client's best interests. This is especially true given the fact that a jury may afford undue weight to expert testimony, or be more easily persuaded by expert testimony.

Further, given Defendants' grave misrepresentation of the USPTO proceedings in its motion, the danger that Bedrock would suffer substantial prejudice at the hands of Defendants' yet unknown expert is high. For example, Defendants state that the examiner did not consider all of the prior art references that Defendants' cite when concluding that the '120 Patent was valid over the prior art, and therefore an expert is needed to prevent jury confusion. (*See* Dkt. No. 668, at 3, 6.) This is false—the examiner considered every prior art reference Defendants' mention during the reexamination proceedings. The Manual of Patent Examining Procedure (“MPEP”) provides that a prior art reference submitted to the USPTO during reexamination proceedings, whether by the applicant or a third-party, is deemed “considered” by the Examiner in assessing the validity of the claims. *See* MPEP § 2771; *see also* 37 U.S.C. § 1.555 (citations

contained in an information disclosure statement filed in a reexamination is construed as a prior art citation considered by examiner). Defendants thus admit that the “prior art Defendants intend to rely on at trial” was considered by the examiner during the first reexamination proceeding, in stating that Bedrock submitted Defendants’ invalidity contentions to the USPTO, which “included hundreds of pages of charts relating to dozens of prior art references, including prior art Defendants intent to rely on at trial, such as code from the Naval Research Laboratories (NRL), and code from prior versions of Linux.” (Dkt. No. 668, at 3.) As such, the risk that a jury would be confused by allegedly “different” prior art references before the examiner does not present any danger that the jury would be confused or misled. Even if minimal risk exists, it does not rise to the level of danger that would warrant the admission of an expert report at the eleventh hour and the expense of Bedrock.

III. CONCLUSION

For the foregoing reasons, Bedrock respectfully requests that the Court deny Defendants’ untimely motion for leave to serve an expert report regarding reexamination procedures.

DATED: March 30, 2011

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 the forgoing document via email this 30th day of March, 2011.

/s/ Stacie L. Greskowiak _____
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