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

EOLAS TECHNOLOGIES INCORPORATED,	§ § §	Civil Action No. 6:09-CV-446-LED
PLAINTIFF,	§ §	
	§	JURY TRIAL DEMANDED
v.	§ §	
ADOBE SYSTEMS INC., et al.,	§ §	
DEFENDANTS.	§ § §	

**DEFENDANTS' REPLY TO PLAINTIFF EOLAS' RESPONSE IN OPPOSITION
TO DEFENDANTS' JOINT MOTION FOR PARTIAL SUMMARY JUDGMENT
OF NON-INFRINGEMENT BASED ON DIVIDED INFRINGEMENT**

I. INTRODUCTION

Each asserted method claim, whether characterized by Eolas as "server-side" or "browser-side," requires performance by more than one actor, and is not infringed by any Defendant. Eolas' only argument in opposition is a red herring – that each of the method claims allegedly recites an "environment." (*See, e.g.*, D.I. 995 at 3). Eolas' interpretation effectively reads the recited steps out of the method claims, and is directly contrary to long-standing Federal Circuit precedent requiring ***all*** steps of a method to be ***performed*** for there to be any infringement. Eolas' Reply amounts to a futile attempt to undermine the Defendants' "premise," while failing to address divided infringement entirely. (D.I. 995 at 1, 9). There is, therefore, no dispute that if this Court finds that an asserted method claim requires performance by multiple entities, then summary judgment of non-infringement is appropriate.

II. DISCUSSION

It is "axiomatic that a method claim is directly infringed ***only if each step of the claimed method is performed.***" *Muniauction, Inc. v. Thomson Corp.*, 532 F.3d 1318, 1328 (Fed. Cir. 2008) (emphasis added); *Joy Techs., Inc. v. Flakt, Inc.*, 6 F.3d 770, 773 (Fed. Cir. 1993). The so-called "browser-side" and "server-side" method claims all share a set of nearly identical active steps that must each be performed for the claims to be infringed, as highlighted below:

So-called "browser-side" claim 1 of '985 Patent	So-called "server-side" claim 20 of '985 Patent
1. A method for running an application program in a distributed hypermedia network environment, wherein the network environment comprises at least one client workstation and one network server coupled to the network environment, the method comprising:	**20**. A method of serving digital information in a computer network environment having a network server coupled the network environment, and where the network environment is a distributed hypermedia environment, the method comprising:
	communicating via the network server with at least one client workstation over said network in order to cause said client workstation to:
receiving, at the client workstation from the network server over the network environment, at least one file containing information to enable a browser application to display at least a portion of a distributed hypermedia document within a browser-controlled window;	***receive***, over said network environment from said server, at least one file containing information to enable a browser application to display at least a portion of a distributed hypermedia document within a browser-controlled window;
executing the browser application on the client	***execute***, at said client workstation, a browser

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So-called "browser-side" claim 1 of '985 Patent	So-called "server-side" claim 20 of '985 Patent
workstation, with the browser application:	application, with the browser application:
responding to text formats to initiate processing specified by the text formats;	*responding* to text formats to initiate processing specified by the text formats;
displaying at least a portion of the document within the browser-controlled window;	*displaying*, on said client workstation, at least a portion of the document within the browser-controlled window;
identifying an embed text format which corresponds to a first location in the document, where the embed text format specifies the location of at least a portion of an object external to the file, where the object has type information associated with it;	*identifying* an embed text format which corresponds to a first location in the document, where the embed text format specifies the location of at least a portion of an object external to the file, where the object has type information associated with it;
utilizing the type information to identify and locate an executable application external to the file;	*utilizing* the type information to identify and locate an executable application external to the file;
and *automatically invoking* the executable application, in response to the identifying of the embed text format, to execute on the client workstation in order to display the object and enable an end-user to directly interact with the object while the object is being displayed within a display area created at the first location within the portion of the hypermedia document being displayed in the browser-controlled window.	and *automatically invoking* the executable application, in response to the identifying of the embed text format, to execute on the client workstation in order to display the object and enable an end-user to directly interact with the object while the object is being displayed within a display area created at the first location within the portion of the hypermedia document being displayed in the browser-controlled window.

Eolas alleges that the "browser-side" claims, such as claim 1, are directly infringed by an end-user; *i.e.* all of the steps are performed solely by an end-user. (D.I. 995 at 1). Although *all* of the steps in the body of claim 1 also appear in the body of claim 20, a "server-side" claim, Eolas somehow contends that claim 20 is directly infringed by a Defendant; *i.e.* all of the steps are performed solely by a Defendant. This contradictory position cannot be reconciled unless both claims, which share the *same* set of steps, require action by *both* a Defendant and an end-user.[1] Contrary to Eolas' assertion, the claims have not been "drafted purposefully to 'capture infringement by a single party.'" (D.I. 995 at 3). Instead, the claims have been drafted such that nearly *identical* steps appear in both "browser-side" and "server-side" claims – all of which steps must be performed by the same party.[2]

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[1] This is further supported by the plain language of the claims. For example, the step "communicating . . . with" in claim 20 requires that both the "network server" and the "client workstation" participate in the communication.

[2] For example, if the step of "executing the browser application on the client workstation" in claim 1 is accused of being performed by an end-user, then the same step of "execute, at said client workstation, a browser application" in claim 20 must also be performed by an end-user.

The sole argument advanced by Eolas in its Reply is a mischaracterization that the claims merely recite an "environment" with "aspects potentially controlled by different entities." (D.I. 995 at 5). *Uniloc* is inapposite for this proposition because it held that an *apparatus/system* claim could be infringed by an entity that "makes or uses" a "remote registration station" that was capable of functioning as "part of a registration system" where "other parties are necessary to complete the environment [*i.e*. registration system] in which the claimed element functions." *Uniloc USA, Inc. v. Microsoft Corp.*, 632 F.3d 1292, 1309 (Fed. Cir. 2011). Indeed, the Federal Circuit specifically noted that the system claim at issue in *Uniloc* could not support any method steps. *Id.* ("Accepting Microsoft's argument that the local side of Claim 19 requires an end-user's participation . . . would be akin to importing a method step into this software system—something the language of Claim 19 does not support.").

Unlike in *Uniloc*, the Eolas claims at issue here are **method** claims that recite method steps. The issue is not whether other parties are necessary to "complete" the "environment" in which an apparatus or component can function in, but whether more than one entity **performs the steps** of an asserted method. Eolas' **conditional** infringement theory cannot circumvent long-standing requirement that the **steps** recited in the body of each of the claims need to be **performed** for the claim to be infringed. For example, Eolas alleges that for the "server-side" claims, "an infringing server need only format communications in such a way that **if** received by the client, the client **will perform** the actions set forth in the claims." (D.I. 995 at 8) (emphasis added). But a method claim is infringed only where the client actually receives the communication and **performs** those steps. *See, e.g.*, *Fujitsu Ltd. v. Netgear Inc.*, 620 F.3d 1321, 1329 (Fed. Cir. 2010) ("[I]t is not enough to simply show that a product is capable of infringement; the patent owner must show evidence of specific instances of direct

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infringement."). Similarly, the performance of the step "***providing*** at least one client workstation and one network server" in claim 1 of the '906 patent cannot be avoided merely by disregarding it, as Eolas has done, as reciting an "environment." (D.I. 995 at 6-7)

Eolas' reliance on *Advanced Software Design Corp. v. Fiserv, Inc.*, 641 F.3d 1368 (Fed. Cir. 2011) is misplaced. The claim at issue in *Advanced* concerned a "process for validating checks" that ***have already been*** "encrypt***ed***" and "print***ed***."[3] Accordingly, the Federal Circuit found that steps recited in the ***preamble*** (i.e. encrypting and printing) that occurred ***prior*** to validation defined the environment that the validation process operates in. *Id.* Here, the steps define the claimed ***process***. For example, the steps recited in claim 20 defines a particular "method of serving digital information" that comprises "communicating" over a network "in order to cause" specific steps to occur on the client workstation. The steps requiring action by the client do not occur *a priori*, and therefore do not define an environment that the "method of serving digital information" operates in. Moreover, the steps are recited in the ***body*** of the claims, indicating a definition of the claimed process, as opposed to providing merely superfluous descriptions of an "environment." Indeed, these exact limitations have been relied upon repeatedly by Eolas to secure the patent claims. Eolas' interpretation would eviscerate any allegedly novel and patentable features from the invention.

Eolas' allegation that method claims sharing the ***same sets*** of steps are entirely infringed either by end-users ("browser-side") or by Defendants ("server-side") defies logic. Performance of all of the steps in each method claim ***requires*** action by ***both*** end-users and Defendants. And, because neither an end-user nor a Defendant exercises direction or control over the other—a fact Eolas does not dispute—none of the method claims can be directly infringed by either.

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[3] Conspicuously absent from Eolas' Reply is the Federal Circuit's holding in *Advanced*: "[Fiserv] would infringe the method of claim 1, however, ***only by validating checks that have been encrypted and printed in accordance with steps described in the preamble*.**" *Id.* at 1374 (emphasis added).

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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 via the Court's CM/ECF system per Local Rule CV-5(a)(3) on this 11th day of October, 2011. All other counsel of record will be served via facsimile or first class mail.

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