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

Eolas Technologies Incorporated,	§	
	§	
Plaintiff,	§	**Civil Action No. 6:09-CV-00446-LED**
	§	
vs.	§	
	§	
Adobe Systems Inc., Amazon.com, Inc., Apple Inc., Argosy Publishing, Inc., Blockbuster Inc., CDW Corp., Citigroup Inc., eBay Inc., Frito-Lay, Inc., The Go Daddy Group, Inc., Google Inc., J.C. Penney Company, Inc., JPMorgan Chase & Co., New Frontier Media, Inc., Office Depot, Inc., Perot Systems Corp., Playboy Enterprises International, Inc., Rent-A-Center, Inc., Staples, Inc., Sun Microsystems Inc., Texas Instruments Inc., Yahoo! Inc., and YouTube, LLC	§	**JURY TRIAL**
	§	
Defendants.	§	

PLAINTIFFS' SUR-REPLY IN OPPOSITION TO DEFENDANTS' JOINT MOTION FOR PARTIAL SUMMARY JUDGMENT OF NON-INFRINGEMENT BASED ON DIVIDED INFRINGEMENT (DKT. NO. 874)

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I. INTRODUCTION

Despite containing language nearly identical to Plaintiffs' asserted method claims, Defendants do not contend that Plaintiffs' asserted apparatus claims (i.e., '906 patent claim 6 and '985 patent claim 16) present divided infringement issues. Instead, Defendants' Reply advances a misinterpretation of *Uniloc* to argue that in the divided infringement context, method claims are somehow treated differently than apparatus claims. As set forth herein, the reasoning of *BMC*, *Uniloc*, and *Advanced* applies equally to method and apparatus claims alike—and Defendants' recognition that Plaintiffs' apparatus claims do not present divided infringement issues shows Plaintiffs' similar method claims also do not present divided infringement issues.

As explained in Plaintiffs' Opposition, each asserted method claim—"browser-side" and "server-side"—is directly infringed by acts of a single entity. Dkt. 995 at 2–9. This is because—consistent with the Federal Circuit's teachings—the claims have been drafted such that they are infringed by actions performed on either the server-side or browser-side (but not both) of the environment recited in the claims. In an attempt to circumvent Plaintiffs' proper claim drafting, Defendants ignore crucial differences in the structure of Plaintiffs' server-side and browser-side claims and attempt to overcome these differences by manufacturing new method steps. Thus, summary judgment is not appropriate and Defendants' Motion should be denied.

II. DISCUSSION

A. Defendants Ignore Differences In the Structure of Plaintiffs' Claims.

Defendants' Reply ignores crucial differences in the structure of Plaintiffs' server-side and browser-claims. This is shown most clearly in Defendants' side-by-side comparison of claim 1 of the '985 Patent (which is a browser-side claim) with claim 20 of the '985 Patent (which is a server-side claim). Dkt. 1021 at 1–2. Defendants bold and italicize similar words, but ignore a crucial difference in the structure of these claims: unlike the browser-side claims,

the server-side claims (*e.g.*, claim 20 of the '985 patent) require "communicating via network server . . . in order to cause said client workstation to." *Id.*; *See also* Dkt. 995 at 7–9. Defendants' argument attempts to negate this difference by rewriting Plaintiffs' method claims to include a fabricated "receive at the client" step. This attempt is wholly improper, because Plaintiffs' server-side claims manifestly include no such limitation. To the contrary, the recited activities are confined to the server and its formatting of communications "in order to cause."

Defendants' assertion that the "communicating . . . in order to cause" language requires a "client workstation" participation step, Dkt. 1021 at n.1, is incorrect, as Plaintiffs' Response explained. Dkt. 995 at n.8 ("Just as it was allowable in *Uniloc* to require some ID generation and mode switching to be present on a non-claimed platform, it is allowable to draft a claim—as Plaintiffs have done here—to define the environment to include a client workstation."). By attempting to import method steps (i.e. activities on the client) from the environment within which the server-side claims operate, Defendants attempt to do exactly what their quoted *Uniloc* language cautioned against—namely, importing aspects of a claim's environment into the claim's limitations. *Uniloc USA, Inc. v. Microsoft Corp.*, 632 F.3d 1292, 1309 (Fed. Cir. 2011) ("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."); *See also* Dkt 1021 at 3 (quoting the *Uniloc* language).[1]

While the Defendants are generally correct that in cases where "receiv[ing] a communication" is a step of a method claim, the "method claim is infringed only where the client actually receives the communication and performs those steps," their argument—

[1] *See also* Dkt. 995 at n.9 (refuting Defendants' "execute . . . a browser application" argument).

incorrectly—presupposes that Plaintiffs' server-side claims include a client "receiv[ing] a communication" step. Dkt. 1021 at 3 (emphasis omitted). No such requirement appears within the language of Plaintiffs' server-side claims. While Plaintiffs' server-side claims require a server to "communicat[e] . . . in order to cause," none of Plaintiffs' server-side claims include a requirement that the client "receive the server's communication."[2] Thus, for Plaintiffs' server-side claims infringement is confined to the server and its formatting of communications "in order to cause." *See also* Dkt. 995 at 8–9.

B. Plaintiffs' Reliance On *Uniloc* and *Advanced* Is Proper.

Defendants wrongly contend that *Uniloc*, 632 F.3d 1292 does not apply in the context of method claims. Defendants base their reasoning solely on the fact that the claim at-issue in *Uniloc* was an apparatus claim. Dkt. 1021 at 3. *Uniloc* contains no language limiting its reasoning or holding to apparatus claims. Furthermore, this distinction is disingenuous given that *Uniloc* relies upon a case involving method claims—*BMC Res., Inc. v. Paymentech, L.P.*, 498 F.3d 1373, 1376–77 (Fed. Cir. 2007)—to support the proposition that "'[a] patentee can usually structure a claim to capture infringement by a single party,' by 'focus[ing] on one entity." *Uniloc*, 632 F.3d at 1309 (citing *BMC*, 498 F.3d at 1381). Further showing that Defendants' attempt to limit *Uniloc* to apparatus claims is misplaced, *Advanced*—a case involving a method claim—relies upon *Uniloc* to support drafting claims within an environment that focuses on only one entity, just as Plaintiffs have done here. *E.g.*, *Advanced Software Design Corp. v. Fiserv, Inc.*, 641 F.3d 1368, 1374 (Fed. Cir. 2011) ("Like the claim in *Uniloc*, the claims

[2] Defendants' citation to *Fujitsu Ltd. v. Netgear Inc.*, 620 F.3d 1321 (Fed. Cir. 2010) is immaterial given their improper importation of steps into the claims. Dkt. 1021 at 3.

at issue in this case . . . define the environment in which an accused infringer must act . . . .").[3]

Plaintiffs' claims follow the teachings of the Federal Circuit by defining an environment within which an invention operates and then structuring the claims so that infringement is found on only one side of the defined environment. There is no divided infringement issue.

C. The Federal Circuit's Divided Infringement Law is In Flux.

As Plaintiffs explained in their Opposition, the *Akamai* and *McKesson* divided infringement cases Defendants' Motion relies upon have been vacated pending rehearing en banc. Opposition at 2.[4] The Federal Circuit is set to hear the en banc oral arguments on November 18, 2011.[5] The decision of the en banc Federal Circuit may change the state of the divided infringement law. As Judge Newman noted in her dissent in *McKesson* (before the rehearing en banc was granted): "[a] patent that can never be infringed is not a patent . . . , for a patent that cannot be infringed does not have the 'right to exclude.'" *McKesson*, 2011 U.S. App. LEXIS 7531 at *22 (Newman, J., dissenting).

III. CONCLUSION

As demonstrated herein and in Plaintiffs' Response no divided infringement issue exists and Defendants' Motion should be denied.

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[3] The facts of the present case are also analogous to *Advanced*. *Advanced* dealt with a financial instrument with encrypted selected information printed on it, *Advanced*. 641 F.3d at 1374. In *Advanced*, infringement was found even where the infringer did not print the encrypted selected information. *Id*. Similarly, in order to infringe the method steps of Plaintiffs' server-side claims, the Defendants' need not operate a client workstation that performs the recited steps—rather, they need only operate a server which "communicat[es]" with a client workstation "in order to cause." Thus, Plaintiffs' claims also follow the teachings of *Advanced*.

[4] *Akamai Techs., Inc. v. Limelight Networks, Inc.*, 629 F.3d 1311 (Fed. Cir. 2010), *vacated, reh'g en banc granted*, 2011 U.S. App. LEXIS 8167 (Fed. Cir. Apr. 20, 2011); *McKesson Techs. Inc. v. Epic Sys. Corp.*, No. 2010-1291, 2011 U.S. App. LEXIS 7531 (Fed. Cir. Apr. 12, 2011), *vacated, reh'g en banc granted*, 2011 U.S. App. LEXIS 10674 (Fed. Cir. May 26, 2011).

[5] Ex. A (Upcoming Federal Circuit Oral Arguments) (providing that oral arguments for *Akamai* and *McKesson* will be en banc and on November 18, 2011 at 2:00 P.M.).

Dated: October 21, 2011.

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document has been served on all counsel of record via the Court's ECF system on October 21, 2011.

/s/ Josh Budwin
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