



objections to questions, comments, or other offers of evidence as to such topics at trial would serve only to reinforce the prejudicial impact of such matters on the jurors. For the same reason, curative instructions are equally incapable of preventing the prejudicial impact. In an effort to avoid prejudice and a mistrial, Plaintiffs urge this Second Omnibus Motion *In Limine* Solely for Validity Trial.

Plaintiffs ask this Court to instruct the parties and their counsel, representatives, and all witnesses tendered by the parties (whether live or by deposition) not to mention, refer to, interrogate about, or attempt to convey to the jury of the validity trial in any manner, either directly or indirectly, any of the matters set forth below without obtaining a favorable ruling from this Court outside the presence and hearing of the prospective jurors or the jury ultimately selected in this case. Plaintiffs also ask this Court to instruct the parties to warn and caution each witness to follow the same instructions.

**1. Any argument, evidence, testimony, or reference to Plaintiffs' damages or infringement claims.**

The parties should be precluded from presenting argument, evidence, testimony, or making reference to Plaintiffs' damages or infringement claims. Because the first trial will address only issues regarding validity, the damages Plaintiffs allege and seek and the infringement claims they allege against any of the Defendants have no bearing on any of the issues that will be presented to the jury in that trial. FED. R. EVID. 401-403.

Evidence is relevant if it is likely to make a material fact more or less likely. FED. R. EVID. 401. No evidence pertaining to the damages to which Plaintiffs claim they are entitled for Defendants' alleged infringement makes a material fact regarding validity of the patents-at issue more or less likely. *See* FED. R. EVID. 401. Likewise, no evidence pertaining to Plaintiffs' infringement allegations against Defendants makes a material fact regarding validity of the

patents-at-issue more or less likely. *See id.* Accordingly, any such evidence is not relevant and should be excluded. *See* FED. R. EVID. 401-402. Moreover, even if Defendants can make some strained argument of relevance regarding those issues, that relevance would be outweighed by the unfair prejudice caused Plaintiff by the introduction of such evidence. *See* FED. R. EVID. 403. Injecting into the validity trial evidence regarding the damages Plaintiffs' claim and seek and the infringement allegations they make against Defendants would serve only to confuse the issues and mislead the jury, to the unfair prejudice of Plaintiffs. *See id.* No amount of instruction to the jury could reverse the prejudicial impact of such argument or evidence by the Defendants, which counsels in favor of excluding such argument, evidence, or testimony.

**2. Any argument, evidence, testimony, or reference to Eolas' business success or failure.**

In the validity trial, to rebut Defendants' arguments that the patents-in-suit are obvious and, thus, invalid, Plaintiffs will present evidence relevant to the secondary considerations of non-obviousness. One such secondary consideration is licenses to the patents-in-suit. *See Star Sci., Inc. v. R.J. Reynolds Tobacco Co.*, 655 F.3d 1364, 1376 (Fed. Cir. 2011) (holding that "the record contains many secondary considerations that support nonobviousness", for example, "as evidenced by Brown & Williamson's licenses, which cost millions of dollars, Williams' invention had achieved considerable market acceptance and commercial success"). *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530, 1539 (Fed. Cir. 1983) ("Recognition and acceptance of the patent by competitors who take licenses under it to avail themselves of the merits of the invention is evidence of nonobviousness."); *Datatreasury Corp. v. Wells Fargo & Co.*, No. 2:06-CV-72 DF, 2010 U.S. Dist. LEXIS 143587, at \*9 (E.D. Tex. Sept. 27, 2010) (holding that "[I]icensing, long-felt need, and copying are all secondary considerations probative of non-obviousness" and finding that "Plaintiff presented sufficient evidence at trial to support a 'nexus'

between Plaintiff's licensing and the secondary consideration of licensing. In particular, Plaintiff showed that its licenses covered the patents-in-suit.”).

And the fact that any of licenses Plaintiffs plan to discuss at trial arose out of litigation does not make them unreliable indicators of non-obviousness just as the court approved in *Datapoint Corp. v. Picturatel Corp.*, No. 3:93-CV-2381-D, 1998 U.S. Dist. LEXIS 1145 (N.D. Tex. Jan. 23, 1998)—“use license agreements to show commercial success and obviousness of a patent.” *Id.* at \*6. As the court held,

[t]he license agreement is relevant to the subject matter of the pending action. The terms of the agreement relate at least to the issues of patent validity and damages. **Patentees like Datapoint often use license agreements obtained in settlement of litigation to show the commercial success and nonobviousness of a patent.**

*Id.* (emphasis added) (citing *Am. Standard Inc. v. Pfizer Inc.*, 8 U.S.P.Q.2D (BNA) 2019, 2020-21 (S.D. Ind. 1988) (“Such agreements to license allegedly infringing products can be probative evidence of these factors relevant to the validity of a patent.”)..

And while Plaintiffs' licensing of the patents-in-suit and commercial success of products that embody the patents must be considered in determining whether the patents-in-suit are obvious (*see Geo M. Martin Co. v. Alliance Mach. Sys. Int'l LLC*, 618 F.3d 1294, 1304 (Fed. Cir. 2010) (“Secondary considerations of non-obviousness must be considered when present.”)), Plaintiffs expect that Defendants will argue that Eolas' business struggles counters Plaintiffs' evidence of non-obviousness. Defendants have indicated as such. But, Defendants are confused—neither the business success nor failure of Eolas is a secondary consideration of nonobviousness. Evidence of commercial success of products that embody the patents-at-issue, thus, cannot be rebutted with irrelevant argument or evidence of Eolas' business failure. It should go without saying that courts examine secondary considerations of nonobviousness, not

secondary considerations to establish the patents are obvious. *See Eli Lilly & Co. v. Zenith Goldline Pharms., Inc.*, 471 F.3d 1369, 1380 (Fed. Cir. 2006) (“Furthermore, Lilly overcame any prima facie case of obviousness. Among other things, Lilly proved extensive secondary considerations to rebut obviousness.”). Accordingly, because the success or failure of Eolas does not make any issue of material fact regarding validity of the patents-at-issue more or less likely, such irrelevant argument, evidence, or testimony should, therefore, be excluded. *See* FED. R. EVID. 401-402.

## **II. CONCLUSION**

The topics made subject to this Motion are not relevant to any factual issue in the validity trial of this case, and, were they to be placed before the jury, Plaintiffs would suffer undue prejudice. For these reasons, and those mentioned above, Plaintiffs request that this Court order that—solely for the validity trial—all parties, counsel, and witnesses (live and via deposition) be instructed to refrain from any mention or interrogation, directly or indirectly, in any manner whatsoever, including the offering of documentary evidence or through deposition, of any of the matters set forth in this Motion.

Dated: January 22, 2012.

**McKool Smith, P.C.**

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**CERTIFICATE OF CONFERENCE**

I hereby certify that the parties met and conferred regarding the relief requested in this Second Omnibus Motion *in Limine* Solely for the Validity Trial on January 21, 2012. Defendants are opposed to Plaintiffs' motion *in limine* issues presented herein

/s/ Gretchen K. Curran  
Gretchen K. Curran

**CERTIFICATE OF SERVICE**

The undersigned certifies that the foregoing document, attachment, and exhibits were filed electronically in compliance with Local Rule CV-5(a) and, thus, served on all counsel of record on January 22, 2011.

/s/ Gretchen K. Curran  
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