

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

**Eolas Technologies Incorporated
 and The Regents of the University of
 California**

Plaintiffs,

vs.

**Adobe Systems Inc., Amazon.com, Inc.,
 Apple Inc., CDW Corp., Citigroup Inc.,
 The Go Daddy Group, Inc., Google Inc.,
 J.C. Penney Company, Inc., Staples, Inc.,
 Yahoo! Inc., and YouTube, LLC**

Defendants.

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Civil Action No. 6:09-CV-00446-LED

JURY TRIAL

**EMERGENCY MOTION TO STRIKE DEFENDANTS'
 LATE-PRODUCED DOCUMENTS, VIDEO DEMONSTRATIONS,
 SOURCE CODE AND PREVIOUSLY UNIDENTIFIED PRIOR ART**

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Eighteen months after the deadline for invalidity contentions, four months after the close of fact discovery, two months after the deadline for filing amended invalidity contentions, well after the depositions of all relevant fact and expert witnesses and just days before the start of the jury trial, Defendants are continuing to produce to Plaintiffs entirely new—and massive—productions of alleged prior art, newly-created video demonstrations of that alleged prior art, and source code related to that alleged prior art. In addition, these productions also include a brand new and previously undisclosed prior art system. It appears that Defendants intend to rely on the newly produced documents, video demonstrations, source code, and prior art in their invalidity case even though none of these things were timely disclosed to Plaintiffs.

Defendants' Expert Report on Invalidity does not address any of these newly produced prior art documents, video demonstrations, source code, or previously unidentified prior art—nor could it because the report was served *before* the production of these materials. And, given the late production, Plaintiffs have not had the opportunity to depose any fact or expert witness regarding the information contained in these belated productions. Additionally, and despite multiple requests, Defendants have not yet made the demonstration systems available for inspection by Plaintiffs at or before trial. These eve-of-trial productions should be stricken.

I. BACKGROUND

A. The Court-Ordered Schedule In This Case

The Court's Docket Control Orders¹ set the deadlines governing this case. In accordance with these deadlines, Defendants served Plaintiffs with their Invalidity Contentions on July 12, 2010 and filed their Opening Expert Report on Invalidity on July 20, 2011. Defendants also served a Supplemental Expert Report on Invalidity on October 27, 2011 (the date of the deadline for amended invalidity contentions and expert reports). Plaintiffs proceeded with taking the depositions of the persons related to the prior art identified in Defendants' Invalidity Contentions

¹ See Dkts. 249, 670, 979.

and Expert Reports.² Defendants then filed another Supplemental Expert Report on Invalidity on January 4, 2012. Plaintiffs took the deposition of Dr. Phillips, Defendants' invalidity expert, on January 6 and 7, 2012.

B. The Recent Productions Are Not Only Too Late—They Are Massive

After all of the Court-ordered deadlines had passed—the deadlines for infringement contentions, amended infringement contentions, fact discovery, expert reports, expert depositions, dispositive motions, *Daubert* motions, and trial exhibits—Defendants began producing additional prior art documents, video demonstrations, source code, and previously unidentified prior art systems. Defendants presumably intend to present this newly produced material at trial as asserted prior art (or demonstrations of the asserted prior art). Presumably, Defendants intend to have either their previously-deposed validity expert or one of the previously-deposed “fact” witnesses (*e.g.*, Silvey, Wei, or Filo) present this new material.

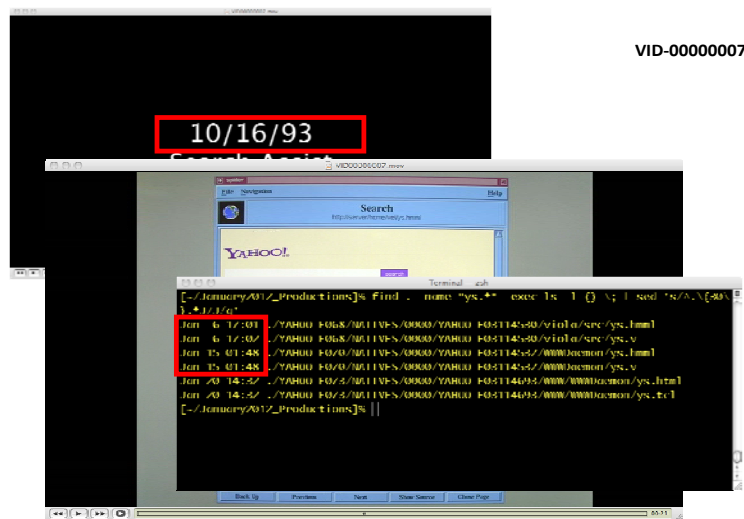
The chart attached hereto as Appendix A illustrates the date of the each of the productions that are the subject of this Motion, as well as the scale of each production. As set forth therein, over the last four weeks, Defendants have made nineteen new document productions, comprised of more than 50,000 new files of code, at least 20 new videos, and assorted other documents interwoven within these massive productions. In total the size of these nineteen new productions is a massive 15 gigabytes. The productions include an astonishing volume of additional, previously unproduced alleged prior art documents, video demonstrations, source code and previously unidentified prior art systems.

² For example, Plaintiffs deposed Eric Bina on August 2, 2011, Scott Silvey on September 15, 2011, and Pei Wei on October 15, 2011, William Janssen on November 5, 2011, Tim Berners-Lee on November 21, 2011, David Filo on November 29, 2011, and Dale Dougherty on December 16, 2011.

C. The Recent Productions Misrepresent The Alleged State Of The Prior Art

As if the sheer volume were not enough, some of the items contained in these productions include videos created as recently as this week showing code modified in the last few weeks. And, these modifications are not minor or trivial—they are created with the express intention to misrepresent the alleged state of the prior art to the jury at trial in this matter.

As a first example, some files included in Defendants’ recent productions are represented to be videos of alleged prior art code dated “10/16/93”—yet, closer examination shows that some of the files have creation and/or last modified dates of January 6, 2012 and January 15, 2012:



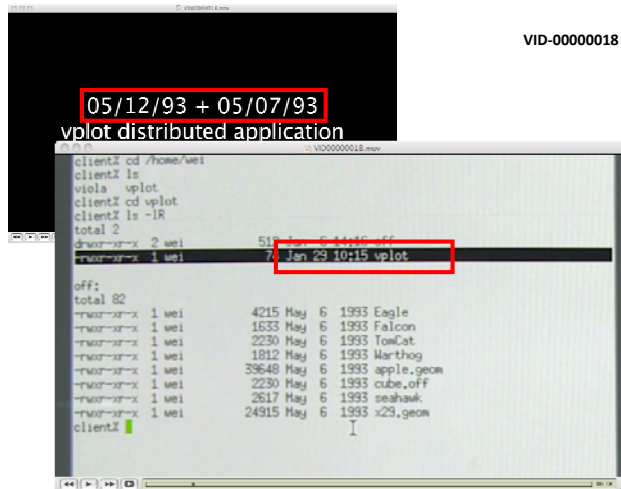
The foregoing example is perhaps most illustrative of the issues presented by Defendants’ recent productions.³ It purports to show a “Yahoo” search page from “October 16, 1993”—however, Yahoo did not even exist until 1994.⁴

The above-example is not an isolated incident of one recent modification or misrepresentation. These issues are endemic through the recent productions made by Defendants. As a further example, the video below is alleged to be a representation of code

³ Ex. 1 (Screen Shots from Defendants’ Production of 1/24/12).

⁴ See <http://docs.yahoo.com/info/misc/history.html>

(including “vplot”) dated “5/12/93 and 5/7/93”—yet, closer inspection shows that the vplot code was modified on January 29, 2012:⁵



As the two examples show, these videos were created in the last few days and the code modified in the last few weeks. Thus, this information was not, and could not have been, produced to the Plaintiffs during the discovery period.

D. The Recent Productions Include An Entirely New Prior Art System

In addition to the new production of source code and videos, Defendants have also produced a *new prior art system*. In their production of January 24, 2012, Defendants produced—for the first time—a video showing a never-before-analyzed prior art system called tkWWW.⁶ In Defendants’ invalidity contentions, there is no analysis or mapping of the tkWWW system on any claim of the patents-in-suit as required by the Patent Rules. Moreover, the tkWWW system is not included in Defendants’ identification of prior art pursuant to 35 U.S.C. § 282, nor is it discussed (or even mentioned) in any of Dr. Phillips’ three expert reports.⁷ This

⁵ Ex. 2 (Screen Shots from Defendants’ Production of 1/31/12).

⁶ The only reference in Defendants’ Invalidity Contentions to this system is a one-line reference to an announcement of the tkWWW release 4.0, in the section listing 173 “Other References.” See Ex.3 (Excerpts from Defendants’ Invalidity Contentions).

⁷ See Ex. 4 (35 U.S.C. § 282 Disclosures).

alleged prior art has never before been asserted by the Defendants in this case. Yet, Defendants have included videos and code related to it in their recent productions.

E. Defendants Have Failed To Identify The Custodians For The New Productions

Not only have Defendants been making massive productions of new code, new videos, and new prior art systems on an ongoing basis for the past month, they have failed to name custodians for their productions for nearly a month as required by the parties' production agreement in this case.⁸ Given that most of this newly produced information appears to have been manufactured in the last few weeks, this lack of custodian information is not surprising. When Defendants did finally attempt to provide custodian information for a few of the recent productions (it still has not been provided for all of them), they collectively named five previously-deposed witnesses—and failed to designate what files came from each individual.⁹

F. Plaintiffs Have Not Yet Been Afforded A Chance To Inspect The New Systems

Worse yet, as of the time of filing this motion, Defendants also have failed to make the computer systems that run this newly modified code and that created the newly shot videos available for inspection by Plaintiffs.¹⁰ And, given the sheer scale of these productions—and Plaintiffs' need to prepare for trial that starts in a few days—Plaintiffs are simply unable to review all of the newly produced material in the detail required to determine what specific alterations are present and/or how the new systems are configured. Finally, Defendants have

⁸ See Ex. 5 (Letter of 5/21/2010) (If reasonably available, and regardless of the form of production, the parties agree to provide at least the following metadata fields: . . . Custodian”).

⁹ See Ex. 6 (Email of 1/22/12). (“to extent that the custodial information for those files is required, it would be Dick Phillips, Perry Wei, Scott Silvey, Dale Dougherty, and/or David Filo”).

¹⁰ On the meet and confer before filing this motion—which occurred at 4:30pm on Thursday, February 2, Jennifer Doan, counsel for Yahoo indicated for the first time that new systems “may” be available for inspection by Plaintiffs, but she was unable to confirm. At 5:18pm, Ms. Doan sent a follow up email indicating that some of the systems may be available for inspection—but did not provide detail as to which specific systems were available and whether these systems matched all of the newly produced videos.

persistently ignored Plaintiffs' repeated requests to have live versions of the systems available for cross-examining Defendants' witnesses at trial.¹¹

G. The Newly Produced Information Is Not Duplicative

Defendants contend that their recent productions are either duplicative of code previously produced. To the extent that Defendants produced any of the recently-produced code or videos during the discovery period (and assuming that such information is not otherwise objectionable), Defendants may of course seek to introduce that code at trial. Plaintiffs reasonably request, however, that Defendants use the files labeled according to the Bates numbering under which the files were originally produced.

For a considerable number of the recently produced files, however, the code shows recent creation or modification dates; Defendants cannot possibly assert that these files were previously produced—it is *impossible* to produce files before they dates that they were created or modified.

II. ARGUMENT AND AUTHORITIES

A. Both the Local Patent Rules and the Federal Rules of Civil Procedure Bar Defendants' Last Minute Productions.

In harmony with the Patent Rules, Federal Rule of Civil Procedure 37(c) permits the exclusion of evidence that is not properly or timely disclosed. *See* Fed. R. Civ. P. 37(c). Factors relevant to a determination of whether evidence should be excluded pursuant to the Patent Rules and Rule 37(c) include: (1) the danger of unfair prejudice; (2) the length of delay and its potential impact on judicial proceedings; (3) the reason for the delay; (4) the importance of the particular evidence; and (5) whether the offending party was diligent in its supplementation. *Finisar Corp. v. The DirectTV Group, Inc.*, 424 F. Supp. 2d 896, 900 (E.D. Tex. 2006). Each factor weighs in favor of exclusion.

¹¹ *See* Ex. 7 (Letter of 1/23/12); Ex. 8 (Email of 1/27/12).

1. Defendants' last minute productions gravely prejudice Plaintiffs.

First, allowing Defendants' eve-of-trial productions would severely prejudice Plaintiffs—Plaintiffs do not have sufficient time to study the new source code and videos in the final days before trial. Over the course of this case Plaintiffs' experts and technical advisors collectively spent hundreds of hours to dissect the code and videos that Defendants had properly produced during the discovery period. Even assuming that Plaintiffs could somehow digest and review the more than 50,000 new files of code and at least 20 new videos comprising more than 15 gigabytes in a matter of days, Plaintiffs have already completed the depositions of the relevant third-party prior art witnesses and deposed Defendants' validity expert.

To illustrate the specific impact of Defendants' untimely production as well as their calculated nature: at the January 17, 2012 deposition of Plaintiffs' expert David Martin, Jennifer Doan, counsel for Yahoo! repeatedly asked Plaintiffs' expert Dr. Martin whether he had examined the asserted prior art dating back prior to May 1993 (the earliest code base identified in Defendants' validity expert report).¹² In reliance on the code set forth in Defendants' Invalidity Expert Report (and produced by Defendants in the discovery period), Dr. Martin answered affirmatively. Now, however, Yahoo! has produced source code for some asserted prior art going back to 1992.

LML Patent Corp. v. JPMorgan Chase & Co. is instructive. There, the court observed that “requiring Plaintiff to respond to the twenty-eight new combinations—served after the close of discovery and less than four months before the trial setting—is a significant, unexpected burden, particularly given that the schedule for motions to strike expert testimony has now begun and the trial setting is less than two months away . . . this factor weighs in favor of striking the new combinations.” *LML Patent Corp. v. JPMorgan Chase & Co.*, No. 2:08-cv-448, 2011 U.S.

¹² Ex. 9 (Martin Dep., Jan. 17, 2012) at 901:3-5; 918:12-14, 24-25; 919:1-3, 12-16; 920:1-4, 17-20; 921:5-15; 923:24-924:2.

Dist. LEXIS 128724, at *15 (E.D. Tex. Aug. 10, 2011). Here the situation is even more grave as the volume of the belated production is much larger and the trial setting much closer.

2. *New productions on the eve of trial, after a year of delay, must be stricken.*

Second, it is challenging to imagine circumstances in which the length of the delay and potential impact of the delay could be more egregious than here. July 12, 2010 was the deadline for disclosing the materials that Defendants have produced to Plaintiffs over the last month. With respect to the potential impact of the delay, it comes after the deadline for motions to strike expert testimony, *see id.*, and just *three days* before the trial on validity is scheduled to begin. Delaying the start of trial in order to ameliorate the effect of the last-minute productions is not an acceptable option in litigation such as this, with four weeks blocked off by the Court and ten litigants poised for trial. *See id.* (“Delay in motion practice . . . would potentially disrupt trial preparations by the parties and the Court. This factor weighs in favor of striking the new combinations.”).

3. *Defendants’ can offer absolutely no justification for their delay.*

Third, Defendants’ delay in producing the asserted prior art is inexcusable. Without a doubt, Defendants could have asserted their new prior art combinations earlier in compliance with their disclosure obligations. Defendants’ recent productions are composed of files alleged to be from or representative of code from the early to mid-1990s or files created/modified by Defendants’ experts. None of the individual references comprising the brand-new prior art combinations are newly discovered. Nor is the entirely brand-new prior art system something that could not have been uncovered years ago. This area of technology history has been thoroughly explored in this litigation, the Microsoft litigation, and the two reexamination proceedings.¹³ Defendants could have disclosed each of their asserted prior art items within the fact discovery period and have no credible basis for failing to do so.

¹³ While Defendants may argue that their new combinations were suggested by their July 12, 2010 invalidity contentions and/or October 27, 2011 amended invalidity contentions, “mere

4. *Defendants' late-produced asserted prior art cannot be important.*

Fourth, Defendants' new invalidity theories are not vital to their defense. Defendants have always been on notice of this Court's Local Patent Rules, Docket Control Order, and the Federal Rules of Civil Procedure. If the new prior art combinations were crucial to Defendants' defense against Plaintiffs' claims, Defendants would have asserted them earlier rather than later.

In any event Defendants have served at least three validity reports from their expert Dr. Phillips. And, Plaintiffs are not moving to preclude any of the evidence cited by Dr. Phillips in his reports as being late produced. Defendants will still be able to present a prior art defense—they just must do so using the theories and admissible evidence contained in Dr. Phillips' expert reports.

Accordingly, all of the relevant factors weigh heavily in favor of excluding Defendants' supplemental invalidity contentions under Rule 37(c)(1). *See, e.g., Williams v. Gonzales*, No. 1:04-cv-342, 2005 U.S. Dist. LEXIS 38838, at *17 (E.D. Tex. Dec. 14, 2005) (noting that even “[d]isruption of the court’s discovery schedule and the opponent’s preparation constitutes sufficient prejudice to militate in favor of the exclusion of testimony”).

B. The Court Should Not Permit Any Expert (Or Fact Witness) Testimony Related To Defendants' Supplemental Invalidity Contentions.

For the reasons set forth above, any expert or fact witness testimony that Defendants contemplate offering that mentions or relies upon Defendants' belated productions should also be precluded pursuant to Rule 37(c)(1). Any other result would permit an end-run around this Court's Local Patent Rules and the Federal Rules of Civil Procedure.

‘suggestion’ does not suffice.” *Cummins-Allison Corp. v. SBM Co., Ltd.*, No. 9:07-CV-196, 2009 U.S. Dist. LEXIS 22114, at *10 (E.D. Tex. Mar. 19, 2009) (refusing to allow defendants to add a new combination of prior art, despite the fact that two of the three pieces of prior art in the combination were already alleged against other asserted claims).

C. Plaintiffs' MIL 1 and 2 Bar Any Discussion of Defendants' New Productions

On January 25, 2012, the Court granted Plaintiffs' first Motion in Limine ("MIL"). *See* Dkts. 1298, 1186. MIL 1 precludes Defendants from raising before the jury any demonstrations of and/or references to software as "prior art" that was created or modified after the October 1994 filing of the patents-in-suit. Dkt. 1186. As illustrated above, most of the newly produced and alleged prior art has modification dates well-after October 1994 (in some cases as recently as this week). In the face the Court granting the MIL, however, Defendants have persisted in rolling out newly modified code, new videos showing that modified code and new things alleged to be prior art that have modification dates as recently as this week.

Likewise, the Court has granted Plaintiffs' second Motion in Limine, which prevents Defendants from offering at trial "any argument, evidence, testimony, or reference to an accused product being based on technology that did not exist at the time of the invention or that any of the Defendants did or did not copy the patented invention." *See* Dkts. 1298, 1186. Again, even in the face of the Court granting that MIL, it appears that Defendants may intend to use fact witnesses to introduce this type of "modified" technology included in Defendants' recently produced files.

III. CONCLUSION

The Local Patent Rules, this Court's Docket Control and Discovery Orders and Federal Rules apply to the Defendants. Because the Defendants have willfully and wantonly violated all three, Plaintiffs request that the Court strike the Defendants' untimely productions and preclude Defendants' witnesses from discussing the contents of those productions at trial.

DATED: February 2, 2012

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/s/ Mike McKool

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CERTIFICATE OF CONFERENCE

I hereby certify that Counsel for Plaintiffs, Josh Budwin, conferred with Jennifer Doan counsel for Defendant Yahoo as well as Chris Joe counsel for JC Penney and Brian Craft counsel for CDW on February 2, 2012 regarding the foregoing Motion to Strike. Defendants indicated that they are opposed.

/s/ Josh Budwin _____

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing document was filed electronically in compliance with Local Rule CV-5(a). This document was served on all counsel by email on February 2, 2012.

/s/ Josh Budwin _____