

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

Wi-LAN INC.,

Plaintiff,

v.

ALCATEL-LUCENT USA INC., *et al.*,

Defendants.

CIVIL ACTION No. 6:10-CV-521-LED

**DEFENDANTS' SURREPLY TO PLAINTIFF'S RENEWED MOTION
FOR JUDGMENT AS A MATTER OF LAW OF NO INVALIDITY OR,
ALTERNATIVELY, MOTION FOR NEW TRIAL ON INVALIDITY**

The jury heard testimony from the parties' experts on the issue whether the Tiedemann reference disclosed "time division multiplexing (TDM) techniques." Defendants' expert, Mr. Mark Lanning, testified that Tiedemann allocates time slots on the paging channel based on the identity of the mobile phone (i.e., the user identity) and that user identity is a characteristic associated with the data item. Wi-LAN's expert, Dr. Jonathan Wells, testified that Tiedemann did not disclose TDM techniques because, he claimed, user identity is not a characteristic associated with the data item.¹ Wi-LAN ultimately lost the "battle of the experts," as the jury found Mr. Lanning more credible. The Court should deny Wi-LAN's motion for JMOL.

A. The jury's finding of anticipation should be upheld.

Wi-LAN argues that Mr. Lanning's testimony regarding Tiedemann was conclusory. [ECF No. 498, at 1–2.] It was not. On the contrary, Mr. Lanning testified in detail that Tiedemann describes using TDM techniques on the paging channel. He began by explaining that the base station uses the paging channel to page a particular mobile phone when it receives a call. As he explained: "[T]he paging channel is used by the base station to page the mobile when you receive a call. And that's how your phone knows it's receiving a phone call."² Mr. Lanning then presented the jury with an excerpt from Tiedemann (DX-124) and explained how it sets forth the way Tiedemann uses TDM techniques on the paging channel.³ Thus, the jury learned that the paging channel disclosed in Tiedemann is divided into 80 ms slots.⁴ Operating within that time

¹ As Defendants pointed out in their response, Wi-LAN's counsel told the Court during a hearing on February 23, 2013, that the issue of whether user identity is a characteristic associated with a data item is a question of fact for the jury to decide based on the experts. [ECF 491, at 6.] Wi-LAN's reply does not address this admission by its counsel.

² **Ex. A** (attached here): Trial Tr. at 37:24–38:2 (July 12, 2013 (Morning Session)).

³ Trial Tr. at 43:10–45:12 (July 12, 2013 (Morning Session)); attached as Ex. E to ECF 491.

⁴ DX-124, at 285; attached as Ex. J to ECF 491.

structure, a mobile station (i.e., subscriber terminal) will be assigned a repeating time slot, where “the period of slot repetition [is] called the slot cycle.”⁵ Further, the mobile station has the ability to “select the period of its assigned slots” in this repeating sequence by registering the value of N in the slot cycle, which is defined by $0.08 \times 2^{N+4}$ seconds.⁶ Once the repeated sequence is assigned, the “mobile station need only listen for pages in its assigned slots.” *Id.* Tiedemann goes on to explain that once the mobile station is assigned its time slots, the base station performs a hashing function to determine the slot in which to send a page to the particular mobile station. *Id.* In short, Mr. Lanning presented substantial evidence that Tiedemann discloses allocating time slots based on a characteristic of a data item.

Versata Software, Inc. v Internet Brands, Inc., 902 F. Supp. 2d 841 (E.D. Tex. 2012), is instructive here. Like Wi-LAN, the patentee in that case filed a JMOL motion seeking to overturn the jury’s finding of anticipation and obviousness by claiming that the defendant’s expert provided “only conclusory statements and failed to walk through the limitations of each of the claims and to explain how each limitation was present in the prior art.” *Versata Software*, 902 F. Supp. 2d at 846. The court rejected this argument, explaining that it “must presume that the jury resolved any underlying factual dispute in favor of the verdict winner and leave such presumed finding undisturbed if it is supported by substantial evidence.” *Id.* at 847 (citations omitted). The decisive question “is whether a reasonable jury, given the record before it viewed as a whole, could have arrived at the conclusion it did.” *Id.* (citation omitted).⁷ Accordingly, the *Versata* court denied the motion for JMOL, and this Court should as well.

⁵ *Id.*

⁶ *Id.*

⁷ The *Versata* court also held that “on a motion for JMOL, this Court will not overturn the jury’s implicit factual findings underlying the verdict of obviousness if they are supported by substantial evidence.” 902 F. Supp. 2d at 850 (citing *Fresenius USA, Inc. v. Baxter Int’l, Inc.*, 582 F.3d 1288, 1301 (Fed. Cir. 2009)).

Citing *Motorola v. InterDigital*, Wi-LAN next argues that Mr. Lanning’s testimony sought to provide anticipatory disclosure that was not within the Tiedemann reference itself. [ECF 498, at 2.] That assertion is baseless, and the facts of *Motorola* are inapposite. As discussed above, the Tiedemann reference, alone, provides a detailed explanation of how the time slots are assigned on the paging channel based, in part, on the identity of the mobile device. Moreover, this scenario is different from *Motorola*. In *Motorola*, the disputed limitation was a means-plus-function term that required *four separate functions* to be performed, and the prior-art reference “[i]ndisputably . . . [did] not describe the use of a code having these four functions.” *Motorola v. Interdigital*, 121 F.3d 1461, 1472–73 (Fed. Cir. 1997). Here, Tiedemann clearly discloses a paging channel that is divided into time slots with mobile devices being assigned time slots in a repeated sequence so that the mobile has to monitor only its assigned slots for receipt of paging data. Because the base station allocates time slots based on the identity of the mobile to which the page is sent, the dispute was whether the mobile identity is a “characteristic associated with the data item.” Indeed, as discussed in Defendants’ response, Wi-LAN’s expert, Dr. Wells disagreed with Mr. Lanning about whether the mobile identity is a characteristic associated with the data item. [ECF 491, at 4-5.]

There was thus a clear factual dispute as to what the prior art disclosed, which the Federal Circuit has repeatedly held is a matter for the jury to decide. *See, e.g., Mettler-Toledo, Inc. v. B-Tek Scales, LLC*, 671 F.3d 1291, 1297 (Fed. Cir. 2012); *Uniloc USA, Inc. v. Microsoft Corp.*, 632 F.3d 1292, 1323 (Fed. Cir. 2011). The jury ultimately resolved that dispute based on substantial evidence presented by two experts, and it would be improper for the Court to overturn the invalidity verdict. *See Eolas Techs. Inc. v. Microsoft Corp.*, 399 F.3d 1325, 1335 (Fed. Cir. 2005) (vacating district court’s grant of JMOL following jury verdict of invalidity because

“anticipation is a question of fact”).

B. The jury’s finding of obviousness should be upheld.

Wi-LAN’s complaints about the jury’s obviousness findings are equally misplaced. The jury heard Mr. Lanning and Dr. Wells testify, weighed their credibility, and found that the asserted claims were obvious. Because obviousness relies on underlying factual determinations, this Court should not overturn the jury’s finding. *See Versata*, 902 F. Supp. 2d at 850 (denying motion for JMOL after jury verdict of obviousness).

Citing *KSR Int’l Co. v. Teleflex, Inc.*, Wi-LAN asserts that Defendants’ “evidence as to why a person of ordinary skill would have combined the elements from Tiedemann and Gitlin to achieve the claimed inventions is insufficient as a matter of law.” [ECF 498, at 3.] This statement is incorrect given that the Supreme Court in *KSR* rejected the Federal Circuit’s formulaic requirement for an express motivation to combine prior-art references. In fact, the *KSR* Court expressly recognizes that in making determinations of obviousness, the factfinder is permitted to use its common sense. *KSR Int’l Co. v. Teleflex, Inc.*, 550 U.S. 398, 421 (2007).

As discussed in great detail in Defendants’ response to Wi-LAN’s motion, the jury heard considerable testimony from multiple witnesses about the bandwidth problem at the time of the invention. [ECF 491, at 11–13.] The jury also heard testimony that there were only a finite number of solutions to solving that bandwidth problem. One such solution was to combine CDMA with TDM; another was to combine CDMA with overlay codes. Mr. Lanning explained that the Gitlin reference provided the CDMA-plus-TDM solution, while Tiedemann provided the CDMA-plus-overlay-codes solution. Given the limited number of solutions, Mr. Lanning explained that it would have been obvious to combine Tiedemann’s overlay codes within the CDMA traffic channels in Gitlin as a further solution. The jury was entitled to accept Mr. Lanning’s testimony and to use its common sense to recognize that it would have been obvious

for a person skilled in the art to combine these two references. *See KSR*, 550 U.S. at 421.

Further, Mr. Lanning stepped through each of the asserted claims and pointed out to the jury where each element was present in the prior art.⁸ And he explained to the jury why the claims were obvious in light of that prior art. Wi-LAN's suggestion that Mr. Lanning's testimony related to broad concepts rather than the actual claim language is therefore baseless.

Finally, Wi-LAN contends that Mr. Lanning used improper hindsight to make the combination. But all of the testimony about the limited-bandwidth problem related to the state of the art *before* the claimed invention. Thus, combining known solutions, such as CDMA, TDM, and overlay codes, was within the knowledge of a person of ordinary skill before the invention.⁹ Moreover, the jury was specifically instructed not to use hindsight in making its determinations of obviousness.¹⁰ Had Wi-LAN believed that Mr. Lanning was improperly applying hindsight, it could have cross-examined him about that during trial. Its failure to do so undermines its complaints now.

Wi-LAN is clearly disappointed that the jury did not agree with its expert that the asserted claims were valid over the prior art. But because the findings underlying both anticipation and obviousness are questions of fact within the province of the jury, this Court should not disturb the jury's verdict. The Court should deny Wi-LAN's renewed motion for JMOL and alternative motion for new trial on validity.

⁸ Trial Tr. at 47:2–72:6 (July 12, 2013 (Morning Session)); attached as Ex. E to ECF 491.

⁹ *See* ECF 491, at 11–13.

¹⁰ Trial Tr. at 37:8–15 (July 15, 2013); attached as Ex. G to ECF 491.

Dated: September 23, 2013

Respectfully submitted,

/s/ Richard L. Wynne, Jr.

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CERTIFICATE OF SERVICE

This is to certify that on September 23, 2013, the foregoing document was filed with the Court via the Court's ECF system, and thus, is deemed served under Local Rule CV-5.

/s/ Richard L. Wynne, Jr.

Richard L. Wynne, Jr.