

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

ANASCAPE, LTD.

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§

Hon. Ron Clark

Plaintiff,

§

§

v.

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Civil Action No. 9:06-CV-00158-RC

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MICROSOFT CORPORATION, and

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NINTENDO OF AMERICA, INC.,

§

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Defendants.

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**REPLY IN SUPPORT OF DEFENDANTS’
MOTION TO AMEND THEIR INVALIDITY CONTENTIONS**

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I. INTRODUCTION

In its response (“Resp.,” Dkt. 251) to Defendants’ motion to amend their invalidity contentions (“Mot.,” Dkt. 226), Anascape continues to hold up its own reticence in providing timely formal supplementation of its contentions as a justification for preventing Defendants from formally amending their invalidity contentions. Nevertheless, good cause to amend exists since, among other things, Anascape does not dispute, and cannot dispute, the importance of the references at issue, including the “Two-rific” article which discloses the Dual Shock 2 controller from Sony (a licensee of Anascape) that was painstakingly mapped in Defendants’ initial invalidity contentions. In addition, Anascape has not and cannot show any unfair prejudice with respect to any prior art references at issue, as set forth in detail below.

II. AMENDMENT AS OF RIGHT: IF ANASCAPE’S ATTEMPTED AMENDMENTS TO ITS INFRINGEMENT CONTENTIONS ARE ALLOWED TO STAND, DEFENDANTS ARE ENTITLED TO AMEND UNDER P.R. 3-6(a)

For the reasons set forth in Defendants’ motion, Anascape’s attempted amendments to its infringement contentions, if allowed to stand, entitle Defendants to amend their invalidity contentions as a matter of right. (*See* Motion at 9-10.) Specifically, Anascape has attempted at a late hour, to amend its contentions to:

- Change its claimed priority date, thus opening up an additional four years of invalidating prior art;
- Change its theory of infringement for certain claims in the case, changing the scope of prior art that anticipates the asserted claims; and
- Change the “instrumentalities” it asserts demonstrate infringement.

These amendments, if allowed to stand, entitle Defendants to amend as a matter of right under P.R. 3-6(a).

III. GOOD CAUSE AMENDMENT: EVEN IF THE COURT EXCLUDES PLAINTIFF'S LATE AMENDMENTS, DEFENDANTS HAVE GOOD CAUSE TO AMEND UNDER P.R. 3-6(b)

Anascape does not dispute that Defendants were diligent in supplementing their contentions after the need to disclose the new matter became apparent. (See, Resp. p. 8; “Only factor 3 weighs in favor of amendment.”) And try as it might, Anascape cannot dispute the importance of the references at issue and the lack of unfair prejudice to Anascape.

For instance, the Sony “Two-rific” article discloses Sony’s Dual Shock 2 controller. The Sony Dual Shock 2 controller was mapped element-by-element against the asserted claims in Defendants’ initial invalidity contentions submitted over a year ago in this case. (Mot. at 11-12) Sony is a licensee of Anascape, and Anascape is well aware of Sony’s controllers, including the Dual Shock and Dual Shock 2 controllers. Indeed, Anascape’s technical expert has cited to the Sony controllers as purported evidence of secondary considerations of non-obviousness.

The “Two-rific” article is important and relevant to this case since Defendants assert that the ‘700 Patent is only entitled to a November 16, 2000 priority date. As such, the “Two-rific” article is prior art under 35 U.S.C. §102(b).

“Two-rific” was disclosed no later than SCEA’s deposition, and Anascape had an opportunity to cross-examine SCEA as to the article at that time, but choose not to do so, despite asking a number of other questions about Dual Shock 2. (Mot. at 5, Exh. 6.) Nevertheless, additional discovery would not help Anascape in this regard, a point reinforced by the fact that Anascape has not asked for any. Additionally, Microsoft’s expert, Mr. Bristow, identifies and relies upon the “Two-rific” article in his supplemental invalidity report. (*Id* at 5.) To the extent that Anascape wished to challenge any opinions Mr. Bristow intends to offer about the “Two-rific” article, it could have done so during his scheduled expert witness deposition. Instead,

Anascape chose to cancel Mr. Bristow's deposition, even after Defendants filed the present motion. (*See* Suppl. Mc Leod Decl., Exh. 12.)

The "GameFan" article is a January 1996 publication including a photograph of the "Flightstick" controller that was sold by Sony, and distributed by SCEA. Microsoft produced the "GameFan" article within days after discovering it in a third-party publication. (Mot. at 5.) Prior to discovery of this specific publication, Microsoft deposed and Anascape cross examined SCEA regarding the availability of this very "Flightstick" controller, which – like the controller in the "GameFan" photograph – has multiple joysticks/input members and numerous additional buttons. (*Id.*, Exh. 6.) As with the "Two-rific" article, Microsoft's expert Mr. Bristow identifies this publication in his supplemental report. (Dkt. 209, Exh. G, pg. 2.) Again, Anascape had an opportunity to depose Mr. Bristow about Flightstick and the "GameFan" publication, but chose to cancel his scheduled deposition. (*See* Suppl. Mc Leod Decl., Exh. 12.)

For at least these reasons, good cause exists to grant Defendants' motion to amend their invalidity contentions.

IV. THE OTHER CHALLENGED "SUPPLEMENTS" ARE NOT NEW

For the reasons set forth in their opposition and sur-reply to Anascape's motion to strike the Bristow and Dezmelyk expert reports (Dkts. 228 and 248), Defendants' remaining challenged "supplements" are proper because they are not new references or combinations of references.

V. CONCLUSION

For the foregoing reasons, Defendants respectfully ask the Court to allow the requested amendment.

Respectfully submitted,

Dated: April 11, 2008

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CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing document was served electronically on all counsel who have consented to electronic service in compliance with Local Rule CV-5(a)(7)(C). Pursuant to Fed. R. Civ. P. 5 (d) and Local CV-f, all other counsel of record not deemed to have consented to electronic service were served with a true and correct copy of the foregoing by certified mail, return receipt requested, on this the 11TH day of April, 2008.

By: /s/ Derrick W. Toddy