

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

Anascape, Ltd.,

Plaintiff,

v.

Microsoft Corp., and
Nintendo of America, Inc.,

Defendants.

Civil Action No. 9:06-cv-158-RC

JURY TRIAL REQUESTED

**ANASCAPE, LTD.'S SURREPLY TO DEFENDANTS' MOTION FOR LEAVE TO
AMEND THEIR INVALIDITY CONTENTIONS UNDER P.R. 3-6(b), OR, IN THE
ALTERNATIVE, UNDER P.R. 3-6(a).**

I. PRELIMINARY STATEMENT

Almost a year after serving their invalidity contentions, Defendants identified and relied on numerous combinations of references in their expert reports that were not previously disclosed to Anascape. Furthermore, *after* serving those reports, Defendants served newly-found articles, available in the public domain, as allegedly invalidating the asserted claims. Defendants should have identified these references and reference combinations in February 2007, not February 2008. The Court should not allow Defendants to enlarge their invalidity case at this late stage of the case and thus should not allow Defendants to supplement their invalidity contentions so close to trial. Anascape respectfully requests that the Court deny Defendants' Motion.

II. ARGUMENT

A. Anascape Has Not Amended Its Infringement Contentions Related to the Asserted Claims, Informally or Otherwise

Essentially, Defendants attempt to justify their late invalidity disclosure by manufacturing disputes with Anascape that were not raised before Anascape filed its motion to strike. Defendants' reply points to three "amendments," none of which justifies Defendants' proposed relief.

First, Defendants point to Anascape's *reduction* in its priority claim. As a threshold matter, this was done at Defendants' request -- Defendants cannot manufacture some sort of hardship by Anascape's accedence to their request. *See* Ex. B (E-mail from Microsoft's counsel to Anascape's counsel, copying Nintendo's counsel). Furthermore, Anascape *reduced* its priority claim to 1996, even as Defendants maintained that Anascape was only entitled to a priority claim to 2000. It would be a strange jurisprudence that would discourage parties from

reducing their claims in light of further information gleaned from discovery, litigation, or other parties' arguments.

Second, Defendants point to Anascape's *acceptance* of a portion of Defendants' theory regarding infringement. Again, after examining the analysis in Defendants' expert reports, Anascape's expert *agreed* with a portion of the analysis and *reduced* the scope of its infringement case.¹ Again, Defendants cannot manufacture any prejudice when Anascape agrees with their position, and it would hinder the efficient resolution of disputes to penalize Anascape for doing so.

Third, Defendants state that Anascape changed the "instrumentalities" that it asserts demonstrate infringement. Anascape has not done so. As required by P.R. 3-1, Anascape has consistently pointed to various components of the accused controllers as meeting the asserted claims and maintains that position today.² Thus, Anascape has not amended its P.R. 3-1 disclosures and has not prejudiced Defendants whatsoever.

B. Defendants Have Not Shown Good Cause for Adding the Sony "Two-Rific" Article and the "GameFan" Article

P.R. 3-3 requires that Defendants provide the identity of each purported prior art reference, and P.R. 3-4 requires that the parties produce documentation "sufficient to show the operation" of such art and a copy of each item of prior art. The Court cannot allow Defendants

¹ In its infringement contentions, Anascape relied on either the presence of (1) a motor and offset weight, or (2) dome caps, as providing "active tactile feedback." In light of Defendants' experts' analysis, Anascape now only relies on a motor and offset weight. This reduces the number of claims asserted against the Nintendo WaveBird Wireless Controller, which does not use a motor and offset weight. Anascape has not enlarged its infringement position whatsoever.

² Instead, Defendants have changed *their* position regarding claim scope. In Defendants' invalidity contentions, like Anascape's infringement contentions, Defendants only pointed to controllers as meeting the scope of the apparatus claims at issue. Now, in their response to Anascape's proposed Motions in Limine #20, Defendants argue that Anascape must prove *actual use* of the controllers, even though Defendants raised no such argument in their Markman briefing and supporting analysis for this position is not found in Defendants' invalidity contentions. Anascape's position throughout this litigation has been, and continues to be, that the controllers, alone, infringe the asserted apparatus claims of the '700 Patent.

to enlarge the scope of prior art they intend to rely upon at this late date. The factors considered by this Court do not support supplementation of Defendants' disclosures. First, Defendants produced the "Two-Rific" and "GameFan" articles over a year after they served their invalidity contentions, after claim construction briefing, and after the parties had served their burden reports. This delay is significant and affected Anascape's ability to conduct discovery and analyze claim construction in light of these articles. The two articles listed above are from the public domain, and Defendants have shown no convincing reason why they should be allowed, at this late date, to supplement their expert reports and prior art disclosures to include them. Defendants have made conclusory assertions as to how these references are "vital," which begs the question: if these references were truly the keystone of their invalidity case, why had Defendants not identified them until *after* they served their burden report, which found the claims invalid *without* citing or referencing these articles? Defendants waited too long to disclose documents found wholly in the public domain. In light of this late disclosure, the Court should not allow Defendants to rely on those articles.

C. Defendants Have Not Shown Good Cause for Identifying Numerous Additional Prior Art Combinations, Which Prejudices Anascape.

Although Defendants spend a large portion of their motion addressing the above-listed articles, Defendants do not adequately address the wholesale addition of numerous additional obviousness theories that were not disclosed to Anascape until February 2008, when Defendants served their expert reports addressing invalidity.

P.R. 3-3(b) is perfectly clear:

(b) Whether each item of prior art anticipates each asserted claim or renders it obvious. **If a combination of prior art makes a claim obvious, each such combination, and the motivation to combine them, must be identified.**

As noted in Anascape's Motion to Strike, Defendants identified at least 50 such purported prior art combinations in their invalidity contentions. However, in their expert reports, they cited to numerous additional combinations of references that were never previously identified to Anascape, as noted in Anascape's Motion to Strike (Dkt. No. 209). The Court should not allow Defendants to dramatically enlarge the scope of prior art combinations from those disclosed in their invalidity contentions. The factors considered by the Court do not support supplementation in this case. First, again, Defendants delayed almost a year in identifying these combinations, which affected Anascape's ability to conduct discovery and analyze claim construction in light of these combinations. Furthermore, especially considering that Defendants had included these references on their invalidity contentions, they cannot identify any reason for the delay. Defendants could have, and should have, specifically identified all of the combinations they intended to rely on earlier, instead of just a subset, well before serving their expert reports. Finally, excluding these late-disclosed prior art combinations is not an oppressive sanction. Defendants' expert reports rely on multiple reference combinations that were properly identified in their original invalidity contentions, assert that certain claims are indefinite under *IPXL*, argue that the claims are unenforceable due to inequitable conduct, and claim that their products do not infringe the asserted claims. Thus, even if the Court denies their request to amend, Defendants still have significant claims and defenses remaining that may ultimately entitle them to a judgment in their favor.

III. CONCLUSION

Anascape respectfully requests that the Court deny Defendants' Motion in its entirety.

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Respectfully submitted,

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**ATTORNEYS FOR PLAINTIFF
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CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing document was filed electronically in compliance with Local Rule CV-5(a) on April 21, 2008. As such, this motion was served on all counsel who have consented to electronic service. Local Rule CV-5(a)(3)(A).

/s/ Anthony M. Garza
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