

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

ANASCAPE, LTD.

Plaintiff,

v.

MICROSOFT CORPORATION, and
NINTENDO OF AMERICA INC.,

Defendants.

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Hon. Ron Clark

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

**DEFENDANT NINTENDO OF AMERICA INC.'S
MOTION FOR JUDGMENT AS A MATTER OF LAW**

I. INTRODUCTION

Defendant Nintendo of America Inc. (“Nintendo”) and Plaintiff Anascape, Ltd. (“Anascape”), have concluded their respective cases, including Plaintiff’s case on rebuttal, and all evidence has been presented. No legally sufficient evidentiary basis exists for a reasonable jury to find that the patent-in-suit is infringed or valid or that Anascape is entitled to damages, and there is not a sufficient conflict in substantial evidence to create a jury question on the issues of non-infringement, invalidity, or damages. Accordingly, pursuant to Federal Rule of Civil Procedure 50(a), Nintendo moves for judgment as a matter of law of non-infringement and invalidity of U.S. Patent No. 6,906,700 (the “’700 patent”). Specifically, Nintendo moves for judgment as a matter of law that 1) none of the accused controllers infringes the ‘700 patent, 2) each asserted claim of the ‘700 patent is anticipated or rendered obvious by the Sony Dual Shock controller, the Sony Dual Shock 2 controller, and/or EP 867212 (the “Goto application”), 3) the asserted claims of the ‘700 patent fail to satisfy the written description requirement of 35 U.S.C. § 112, and 4) Anascape is not entitled to collect damages. Consequently, Nintendo hereby moves for Judgment as a Matter of Law (“JMOL”) for the Court to dispose all claims.

II. STANDARD

The legal standard for judgment as a matter of law is governed by the Federal Rules of Civil Procedure. Pursuant to Rule 50(a),

If a party has been fully heard on an issue and there is no legally sufficient evidentiary basis for a reasonable jury to find for that party on that issue, the court may: (A) resolve the issue against the party and (B) grant a motion for judgment as a matter of law [JMOL] against the party on a claim or defense that cannot under the controlling law be maintained or defeated without a favorable finding on that issue.

Fed. R. Civ. P. 50(a). “In order to survive a Rule 50 motion and present a question for the jury, the party opposing the motion must at least establish a conflict in substantial evidence on each essential element of their claim. In other words, ‘the evidence must be sufficient so that a jury will not ultimately rest its verdict on mere speculation and conjecture.’” *Anthony v. Chevron United States*, 284 F.3d 578, 583 (5th Cir. 2002) (internal citations omitted). A party may move for JMOL at any time before the case is submitted to the jury. Fed. R. Civ. P. 50(a).

Based on the foregoing, Nintendo moves this Court to order judgment as a matter of law on the following grounds:

- No legally sufficient evidentiary basis exists for a reasonable jury to find that any of Nintendo’s accused controllers literally infringe any of the asserted claims of the ‘700 patent;
- No legally sufficient evidentiary basis exists for a reasonable jury to find that, pursuant to the doctrine of equivalents, the differences between Nintendo’s accused and the asserted claims of the ‘700 patent are not insubstantial;
- No legally sufficient evidentiary basis exists for a reasonable jury to find that the ‘700 patent has an effective filing date earlier than November 16, 2000;
- No legally sufficient evidentiary basis exists for a reasonable jury to find that any of the asserted claims of the ‘700 patent are not anticipated or rendered obvious by prior art;
- No legally sufficient evidentiary basis exists for a reasonable jury to find that the asserted claims of the ‘700 patent are supported by the written description of the ‘700 patent specification.
- No legally sufficient evidentiary basis exists for a reasonable jury to find that Anascape is entitled to damages.

Upon the Court’s judgment as a matter of law, Anascape claims of infringement and Nintendo’s claims of invalidity will be disposed, and the jury will be relieved of all duties.

III. ARGUMENT

A. As A Matter of Law, Nintendo Does Not Infringe Any Asserted Claims of the ‘700 Patent

1. Literal Infringement

In conducting an infringement analysis, the court engages in two steps. First, the Court determines the construction and scope of the patent claims plaintiff asserts have been infringed. *Markman v. Westview Instruments*, 52 F.3d 967, 976 (Fed. Cir. 1995) (en banc), *aff’d* 517 U.S. 370 (1996). The second step is comparing the properly construed claims to the device accused of infringing. *Id.* “Judgment as a matter of law of no literal infringement is appropriate if no reasonable fact finder could determine that the accused devices meet every limitation of the properly construed claims.” *Elkay Mfg. Co. v. Ebco Mfg. Co.*, 192 F.3d 973, 980 (Fed. Cir. 1999). Thus, to establish literal infringement, Anascape must prove that every limitation of its claims is met “exactly.” *Southwall Techs. v. Cardinal IG Co.*, 54 F.3d 1570, 1575 (Fed. Cir. 1995).

a) **No reasonable jury could find that the Wii Remote connected to the Wii Nunchuk literally infringes claim 19**

No reasonable jury could find that the Wii Remote connected to the Wii Nunchuk infringes claim 19 of the ‘700 patent, because Anascape has presented no legally sufficient evidence that this combination satisfies the “third element” limitation of the claim. Claim 19 requires a “third element” “movable on two mutually perpendicular axes” and “structured to activate two bi-directional proportional sensors.” Although Anascape contends that the accelerometer in the Wii Remote constitutes the “third element,” that argument fails as a matter

of law.¹ The evidence adduced at trial indisputably established that the accelerometer in the Wii Remote (1) is not movable because it is fixed on a circuit board; (2) contains no structure to activate sensors; and (3) constitutes only one sensor (rather than two). (Tr. at 479:24-480:5; 480:6-16; 482:25-483:14 (Howe)). Therefore, no reasonable fact finder could conclude that the Wii Remote connected to the Wii Nunchuk satisfies the “third element” limitation of claim 19 and, as a matter of law, this combination does not infringe claim 19 of the ‘700 patent.

Nintendo is entitled to judgment as a matter of law of non-infringement of claim 19 for the independent reason that the Wii Remote and Wii Nunchuk connected together do not meet the Court’s construction of “controller.” A “controller,” as construed by the Court, is “a device held in the user’s hand . . .”² The Wii Remote connected to the Wii Nunchuk constitute two devices, not one device. As a result, the features Anascape points to as satisfying the limitations of claim 19 are actually found on two distinct controllers rather than one. No reasonable jury could find infringement of claim 19 by the Wii Remote/Wii Nunchuk combination. Thus as a matter of law, the Wii Remote and Wii Nunchuk cannot infringe claim 19.

Nintendo is entitled to judgment as a matter of law of non-infringement of claim 19 for the additional independent reason that there is no legally sufficient evidence establishing that the Wii Remote controller has “tactile feedback means for providing vibration.” Where a claim contains a means requirement, it should be construed under 35 U.S.C. § 112(6) and must be interpreted with regard to the structure disclosed in the specification corresponding to such language. *In re Donaldson Co.*, 16 F.3d 1189 (Fed. Cir. 1994). Claim 19 requires “tactile feedback means for providing vibration.” The only structure disclosed in the specification

¹ Multiple witnesses have admitted that neither the ‘525 application nor the ‘700 patent discloses an accelerometer (*see, e.g.*, Tr. at 481:8-23 (Howe)).

² *See* Memorandum Opinion and Order Construing Claim Terms of United States Patent Nos. 6,222,525 and 6,906,700—Part I, dated January 11, 2008, at 11. The full definition reads, “A device held in the user’s hand that allows hand or finger inputs to be converted into electrical signals for manipulation of images (graphics) on a display device, which are capable of being perceived by a human.”

corresponding to the means for tactile feedback is contained in Figure 21 of the '700 patent, which discloses a motor, shaft, and offset weight on the shaft. Anascape has presented no evidence that the Wii Remote contains such a configuration of a motor, shaft, and offset weight on the shaft as disclosed in Figure 21, or any equivalent thereof. Therefore, the Wii Remote connected to the Wii Nunchuk does not infringe claim 19 as a matter of law. *See Medical Instrumentation and Diagnostics Corp. v. Elekta AB*, 344 F.3d 1205, 1222 (Fed. Cir. 2003) (party entitled to judgment as a matter of law where its accused devices did not contain structures disclosed in the patent corresponding to the means in the asserted claims).

Nintendo is entitled to judgment as a matter of law of non-infringement of claim 19 for the additional reason that there is no evidence that the Wii Remote connected to the Wii Nunchuk can control objects and navigate a viewpoint. More specifically, there is no record evidence that what Anascape identifies as the “second element”—the joystick in the Wii Nunchuk—and the third “element”—the accelerometer in the Wii Remote—can control objects and navigate a viewpoint, as required by claim 19 and this Court’s claim construction.

b) No reasonable jury could find that the Wii Classic connected to the Wii Remote literally infringes claims 19, 22 or 23

Like with the Wii Remote connected to the Wii Nunchuk, with respect to the Wii Classic connected to the Wii Remote, Anascape has failed to establish infringement of claim 19 (and dependent claims 22 and 23) under the requirements of 35 U.S.C. § 112(6). Anascape has proffered no evidence that the Wii Remote—which Anascape points to as containing “tactile feedback means”—contains a motor, shaft, and offset weight on a shaft as disclosed in Figure 21, or the equivalent thereof. Therefore, the Wii Classic connected to the Wii Remote does not infringe claims 19, 22, and 23 as a matter of law.

As the Wii Remote and Wii Nunchuk in combination do not satisfy the Court's construction of "controller", the Wii Remote and Wii Classic in combination also do not satisfy that construction. Again, they are two handheld devices rather than "a device." Given this, no reasonable jury could find that the Wii Remote/Wii Nunchuk combination infringes claim 19. Thus, that combination does not infringe claim 19 as a matter of law.

Nintendo is entitled to judgment as a matter of law of non-infringement of claim 19 for the additional reason that there is no evidence that the Wii Classic can control objects and navigate a viewpoint. More specifically, there is no record evidence that what Anascape identifies as the "second element" – the first joystick in the Wii Classic – and the third "element" – the second joystick in the Wii Classic – each can control objects and navigate a viewpoint.

c) No reasonable jury could find that the Game Cube controller literally infringes claims 14, 16, 19, 22 and 23 or that the WaveBird wireless controller infringes claim 14

Anascape has failed to present legally sufficient evidence that the GameCube controller infringes any claim of the '700 patent. First, Anascape presented no evidence that the Game Cube controller infringes claims 16 or 19 of the patent, because under § 112(6), the structure described in the specification corresponding to the means requirement in those claims does not match up to the controller. Claims 16 and 19 require "tactile feedback means for providing vibration." As described above, where a claim contains a means requirement, it should be construed under § 112(6) and must be interpreted with regard to the structure disclosed in the specification corresponding to such language. Anascape has proffered no evidence that the Game Cube controller contains a motor, shaft, and offset weight on the shaft as disclosed in Figure 21, or the equivalent thereof.

Second, Nintendo is entitled to judgment as a matter of law of non-infringement of claim 19 for the additional reason that there is no evidence that the GameCube controller can control

objects and navigate a viewpoint. More specifically, there is no record evidence that what Anascape identifies as the “second element” – the first joystick in the GameCube controller— and the third “element”—the second joystick in the GameCube controller—each can control objects and navigate a viewpoint.

Third, no reasonable jury could conclude that the Game Cube infringes claims 16 or that the WaveBird wireless controller infringes claim 14 because neither of these controllers are capable of controlling movement of objects on a television or other display in six degrees of freedom. Claims 14 and 16 both require a “3-D graphics controller.” The Court has construed “3-D” to mean “capable of movement in six degrees of freedom.” Anascape has failed to adduce any evidence that the GameCube controller or the WaveBird wireless controller can be used to control such movement in six degrees of freedom. Therefore, no reasonable jury could find for Anascape on this issue. *See Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 973 (Fed. Cir. 1995) (finding non-infringement as a matter of law where “system [was] incapable” of performing functions required by the court’s claim construction). The Court should therefore grant Nintendo’s motion as to non-infringement as a matter of law.

2. Doctrine of Equivalents

Anascape nominally advanced a theory of infringement based on the doctrine of equivalents, but did not carry its burden of producing legally sufficient evidence to qualify under the doctrine. Anascape offered no testimony – expert or lay – to support an argument under this doctrine. A finding of infringement under the doctrine of equivalents requires a showing that the difference between the claimed invention and the accused product was insubstantial or that the accused product performs substantially the same function in substantially the same way with substantially the same result as each claim limitation of the patented product or method.

AquaTex Indus. v. Techniche Solutions, 479 F.3d 1320, 1326 (Fed. Cir. 2007). A plaintiff may

not rely on the doctrine of equivalents to expand the scope of its claims to encompass the prior art. *Hyperphrase Techs., LLC v. Google, Inc.*, 2007 WL 4509047, at *6 (Fed. Cir. Dec. 26, 2007) (unpublished); *Perkin-Elmer Corp. v. Computervision Corp.*, 732 F.2d 888, 900 (Fed. Cir. 1984). Judgment as a matter of law of no infringement under the doctrine of equivalents is appropriate where a reasonable jury could not find that the differences between a claim limitation and the accused product's asserted equivalent are insubstantial. *Moore U.S.A., Inc. v. Standard Register Co.*, 229 F.3d 1091, 1106 (Fed. Cir. 2000).

Anascape did not even provide *generalized* testimony to support its theory of infringement under the doctrine of equivalents, let alone particularized and linking argument. In attempting to establish the doctrine of equivalents by expert testimony, Anascape is not excused of its duty of proving each and every element of its claim. *See Texas Instruments Inc. v. Cypress Semiconductor Corp.*, 90 F.3d 1558, 1567 (Fed. Cir. 1996). Thus, “[g]eneralized testimony as to the overall similarity between the claims and the accused infringer’s product or process will not suffice.” *Id.* Rather, for a patentee to survive a motion for judgment as a matter of law, it must provide particularized testimony and linking argument as to the “insubstantiality of the differences” between the claimed invention and the accused device or process, on a limitation-by-limitation basis. *Id.* Because Anascape’s witnesses did not even attempt to provide such testimony, no reasonable jury can find infringement based under the doctrine of equivalents.

B. As A Matter of Law, All Asserted Claims of the ‘700 Patent Are Invalid As Anticipated and/or Rendered Obvious by Prior Art

All substantial evidence has shown that the effective filing date of the ‘700 patent was November 16, 2000. All substantial evidence has also shown that various art known before November 16, 2000 either met or rendered obvious every claim limitation of the asserted claims.

As a result, each of the asserted claims of the '700 patent is either anticipated or obvious and thus invalid as a matter of law.

1. The Effective Filing Date to Which the '700 Patent is Entitled Is Its Actual Filing Date of November 16, 2000

The application for the '700 patent was filed on November 16, 2000. Although the '700 patent is classified on its face as a continuation of a patent application filed in 1996, the evidence has obviated any question regarding entitlement to a 1996 priority date. The claims in a later application are entitled to the benefit of the earlier filing date under 35 U.S.C. § 120 only if the “invention [is] disclosed in the manner provided by the first paragraph of” 35 U.S.C. §112.³ The purpose of the written description requirement of 35 U.S.C. § 112(1) is to ensure that the scope of the right to exclude, as set forth in the claims, does not overreach the scope of the inventor's contribution to the field of art as described in his patent specification. To meet the written description requirement, the 1996 patent application must demonstrate, to a person of ordinary skill in the art at the time the application was filed, that Mr. Armstrong actually invented and possessed the full scope of the inventions recited in each of asserted claims 14, 16, 19, 22 and 23 of the '700 patent. *E.g., Reiffin v. Microsoft*, 214 F.3d 1342, 1345 (Fed. Cir. 2000); *Chiron v. Genentech*, 363 F.3d 1247, 1255 (Fed. Cir. 2004); *Tronzo v. Biomet*, (Fed. Cir. 1998); *LizardTech v. Earth Resource Mapping*, 424 F.3d 1336, 1345 (Fed. Cir. 2005); *Lockwood v. American Airlines, Inc.* 107 F.3d 1565, 1571 (Fed. Cir. 1997); *Vas-Cath Inc. v. Mahurkar*, 935 F.2d 1555, 1563 (Fed. Cir. 1991). Compliance with the written description requirement is a question of fact but is amenable to judgment as a matter of law in cases where no reasonable fact

³ See, e.g., *Reiffin v. Microsoft Corp.*, 214 F.3d 1342, 1346 (Fed. Cir. 2000) (“Although [35 U.S.C.] § 120 incorporates the requirements of [35 U.S.C.] §112 1, these requirements and the statutory mechanisms allowing the benefit of an earlier filing date are separate provisions with distinct consequences); *Ralston Purina Co. v. Far-Mar-Co, Inc.*, 772 F.2d 1570, 1573 (Fed. Cir. 1985).

finder could return a verdict for the non-moving party. *See Invitrogen Corp. v. Clontech Labs., Inc.*, 429 F.3d 1052, 1072-73 (Fed. Cir. 2005).

As Nintendo's expert Robert Dezmelyk has testified, and as Anascape has failed to refute, the asserted claims of the '700 application are not supported by the specification of the parent application filed in 1996 ("1996 specification"). No reasonable jury could find that the 1996 specification discloses, to someone of ordinary skill in the art, anything other than a controller having a single input member movable in full six degrees of freedom (6DOF) relative to a reference member of the controller. There is no support in the 1996 specification (including the drawings and claims as originally filed) for any claim that does not require a single input member that is movable in 6DOF relative to a reference member of the controller. Every embodiment disclosed in the 1996 specification (including the collet embodiments of Figs. 1-6) includes a single input member movable in 6DOF relative to a reference member of the controller. Furthermore, the 1996 specification includes clear and unequivocal disclaimers and definitions that limit the disclosure such that no reasonable jury could find that the specification provides an adequate written description to one of ordinary skill in the art for the full scope of the inventions recited in asserted claims 14, 16, 19, 22 and 23. *See, e.g.*, DX12-1.7 ("Further, the Chang disclosure does not have a [sic] any input member capable of being manipulated in 6 DOF relative to any reference member of the controller, which yields additional significant disadvantages"); DX12-1.8 ("The Chang controller does not have a single input member such as one ball or one handle which can be operated (causing representative electrical output) in six degrees of freedom. Nor can any one Chang input member be manipulated (moved) relative to a reference member on the controller in six degrees of freedom. Thus, the Chang device is functionally and structurally deficient."); DX12-1.9 ("Summary of The Invention ... In order that

6DOF controllers be more affordable, and for a user to be easily able to control objects and/or navigate a viewpoint within a three-dimensional graphics display, I have developed improved, low-cost hand operated 6DOF controllers ... The controllers provide structuring for converting full six degrees of freedom provided by a human hand on a hand operable single input member ...”); *see also* definitions of “manipulate” and “operate” at DX12-1.12-13.

In *Poweroasis v. T-Mobile USA*, slip op. (Fed. Cir. April 11, 2008), the Federal Circuit affirmed the district court’s grant of summary judgment that none of the asserted claims were entitled to an earlier effective filing date under 35 U.S.C. § 120 because the earlier application did not provide an adequate written description of the invention claimed in the asserted patents. The patentee in that case urged a broad construction of the asserted claims in order to attempt to cover the accused infringer’s products. The Federal Circuit found that only language added to the later application supported the broader scope of the claims as construed, and held the earlier application did not provide a written description sufficient to support the asserted claim as construed so that the claim therefore was not entitled to the benefit of the earlier application’s filing date.

In this case, the 1996 specification which Anascape relies on for priority contains unequivocal disclaimers and express definitions that limit claim scope such that no reasonable jury could find that the 1996 specification demonstrates, to a person of ordinary skill in the art at the time the specification was filed, that Mr. Armstrong actually invented and possessed the full scope of the inventions recited in each of asserted claims . *See Microsoft Corp. v. Multi-Tech Systems Inc.*, 357 F.3d 1340, 1346 (Fed. Cir. 2004) (patentee can be his own lexicographer); *SciMed Life Systems, Inc. v. Advanced Cardiovascular Systems, Inc.*, 242 F.3d 1337, 1344 (Fed. Cir. 2001) (excluding subject matter from claim scope based on clear disclaimer in the

specification). In view of such disclaimers and definitions, no reasonable juror could find that the 1996 patent specification supports the subject matter recited in the asserted claims. *E.g.*, *Tronzo v. Biomet, Inc.*, 156 F.3d 1154, 1159 (Fed. Cir. 1998) (holding a claim invalid for failure to satisfy the written description requirement when the specification did not disclose all cup shapes literally or “inherently”); *Martin v. Mayer*, 823 F.2d 500, 505 (Fed. Cir. 1987) (holding that the written description requirement is “not a question of whether one skilled in the art might be able to construct the patentee's device from the teachings of the disclosure.... Rather, it is a question whether the application necessarily discloses that particular device”) (emphasis in original).

As Mr. Dezmelyk testified, a person of ordinary skill in the art would not find any support in the 1996 specification for an embodiment that requires more than one input member to achieve 6DOF or an embodiment where no input member is moveable in 6DOF relative to a reference member of the controller. Under the Court's claim construction, the asserted claims of the '700 patent are not limited to a single input member movable in 6DOF relative to a reference member of the controller. The asserted claims 14, 16, 19, 22 and 23 are therefore as a matter of law not supported by the 1996 specification and are therefore not entitled to a 1996 effective filing date. No reasonable jury could find otherwise.

2. The Record Evidence, Including the Inventor’s Own Testimony, Show That Art Known Before November of 2000 Anticipated Asserted Claims 14, 19, 22, and 23

Because the effective filing date of the ‘700 patent is not earlier than November 16, 2000, any reference known before that date which met every limitation of a ‘700 patent claim

anticipates that claim under 35 U.S.C. § 102(a).⁴ See *In Re Omeprazole Patent Litig.*, 483 F.3d 1364, 1371 (Fed. Cir. 2007) (stating that “[a]nticipation requires disclosure of each and every claim limitation in a single prior art reference, either explicitly or inherently. An anticipation analysis requires a comparison of the construed claim to the prior art.”) (internal citations omitted). The evidence presented has shown that the Sony Dual Shock 2 controller⁵ was sold at retail in the United States in October 2000⁶ and met every limitation of claims 14, 19, 22, and 23 of the ‘700 patent. The evidence has also proven that the Sony Dual Shock⁷ was sold at retail in the United States in June 1998,⁸ the Goto application⁹ was published April 23, 1998, and both the Dual Shock and the Goto application met every limitation of claim 19 of the ‘700 patent. The Sony Dual Shock, Dual Shock 2, and Goto application are thus prior art that, among them, anticipate asserted claims 14, 19, 22, and 23 of the ‘700 patent as a matter of law.

Brad Armstrong himself testified about the invalidity of claim 19 in view of the Sony Dual Shock controller. Specifically, he admitted that the Dual Shock “probably would” invalidate claim 19 if the Court or jury determined that the ‘700 patent invention date was the ‘700 filing date, i.e. November 16, 2000. Tr. at 371:25-372:20.

Nintendo’s expert Robert Dezmelyk also testified about the invalidating effect of the Dual Shock on claim 19. According to Mr. Dezmelyk, the Dual Shock meets every limitation of claim 19 because, in sum, it is a hand operated controller with vibration feedback whose 1) cross switch, 2) two analog joysticks, and 3) finger depressible buttons (all with corresponding sensors) respectively satisfy that claim’s requirements for 1) a platform rotatable on two mutually

⁴ “A person shall be entitled to a patent unless (a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent . . .” 35 U.S.C. § 102.

⁵ DX 105, 106.

⁶ See DX 308.

⁷ DX 103, 104. The Dual Shock anticipates claim 19.

⁸ See testimony of Susan Panico dated February 20, 2008 at 31:1-9.

⁹ EP 867212; DX 39.

perpendicular axes, 2) two additional elements movable on two mutually perpendicular axes, and 3) a plurality of finger depressible buttons. The Dual Shock therefore anticipates claim 19.

Mr. Dezmelyk also testified that claim 19 is anticipated by other prior art. The Goto application, which describes a controller having the same feature set as the Sony Dual Shock controller, anticipates claim 19 for the same reasons as the Dual Shock. The Sony Dual Shock 2, which, for purposes of the claims, is different from the Dual Shock only in that it contains additional elements (discussed below), also anticipates claim 19 for the reasons stated above.

For purposes of comparing to the '700 patent, the Dual Shock 2 is different from the Dual Shock because it contains 1) analog buttons and 2) a circuit sheet connecting to more than eight sensors. Dependent claims 22 and 23 of the '700 patent add the limitation of analog buttons to claim 19¹⁰; because Dual Shock 2 contains analog buttons along with the aforementioned features, it anticipates claims 22 and 23. Claim 14 requires, in addition to limitations met by the discussed elements of the Dual Shock, both analog buttons and a circuit sheet connecting to at least eight of the controller's sensors. As the Dual Shock 2 contains both analog buttons and a circuit sheet connecting to more than eight sensors, it anticipates claim 14.

The substantial evidence has shown clearly and convincingly that claims 14, 19, 22, and 23 are anticipated by prior art. Anascape has failed to establish a conflict in substantial evidence as to these incidents of anticipation. As a result, claims 14, 19, 22, and 23 of the '700 patent are invalid as a matter of law.

3. The Record Evidence Shows That Claim 16 Is Obvious Over Dual Shock 2 in Light of the 1998 Goto Application

A patent claim is invalid if the subject matter of the patent claim would have been obvious in view of prior art at the time the invention was made to one of ordinary skill in the art.

¹⁰ Claim 23 also requires that the bi-directional proportional sensors be rotary potentiometers; according to Mr. Dezmelyk's testimony, both of those controllers meet that limitation.

Graham v. John Deere Co., 383 U.S. 1, 17 (1966). The Court must consider “interrelated teachings of multiple prior art references in determining whether an invention is obvious.” *AdvanceMe Inc. v. RapidPay, LLC*, 509 F. Supp. 2d 593, 610 (E.D. Tex. 2007). “Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented.” *John Deere*, 383 U.S. 1 at 17. The “combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” *KSR Int’l Co. v. Teleflex, Inc.*, 550 U.S. ____, 127 S. Ct. 1727, 1731 (April 30, 2007).

Nintendo’s expert Mr. Dezmelyk has presented clear and convincing evidence that the October 2000 Sony Dual Shock 2 precisely meets all but one limitation of claim 16: the “first element” limitation is satisfied by the cross-switch whose sensors are connected to a flexible circuit sheet; the “third element” limitation is satisfied by either of the two joysticks connected to a second circuit board; and both “button sensor” limitations are met by analog buttons with sensors connected to the flexible circuit sheet.

The only limitation not literally satisfied by the Dual Shock 2 is the “second element.” The Dual Shock 2 has a second joystick that activates two rotary potentiometers, as required by the “second element” limitation, but that joystick’s sensors connect to the second circuit board (“second sheet”) along with the first joystick’s sensors. To meet the “second element” claim limitation, the sensors of one of the joysticks would need to connect to the flexible circuit sheet (“first sheet”) along with the sensors of the cross switch.

Claim 16 is invalid despite the slight difference between the Dual Shock 2 and the invention of claim 16. This is because the Goto application, which disclosed the sensors of two

joysticks and a cross switch all on the same sheet, taught that the sensors of a joystick and a cross switch could connect to the same sheet.¹¹ Thus, as Mr. Dezmelyk has testified, claim 16 is obvious over the Dual Shock 2 in light of the Goto application.

Due to the clear and convincing evidence that claim 16 is obvious over the Dual Shock 2 in light of the Goto application, and Anascape's failure to present any substantial evidence on secondary considerations or otherwise establish a conflict in substantial evidence as to claim 16's obviousness, claim 16 of the '700 patent is invalid as a matter of law.

C. The '700 Patent Fails the Written Description Requirement Under 35 U.S.C. § 112

Nintendo's expert Mr. Dezmelyk has presented clear and convincing evidence proving that the asserted claims of the '700 patent are not supported by that patent's written description. To satisfy the written description requirement, a specification "must clearly allow persons of ordinary skill in the art to recognize that [the inventor] invented what is claimed," and must describe the invention with all its claimed limitations. *Gentry Gallery, Inc. v. The Berklene Corp.*, 134 F.3d 1473, 1479 (Fed. Cir. 1998). As set forth above in connection with the inquiry under 35 U.S.C. § 120, to meet the written description requirement, the patent specification must demonstrate, to a person of ordinary skill in the art at the time the application was filed, that Mr. Armstrong actually invented and possessed the full scope of the inventions recited in each of asserted claims 14, 16, 19, 22 and 23 of the '700 patent. *See, e.g., Reiffin*, 214 F.3d at 1345; *Chiron*, 363 F.3d at 1255; *Tronzo v. Biomet*, 156 F.3d at 1159; *LizardTech v. Earth Resource Mapping*, 424 F.3d at 1345; *Lockwood v. American Airlines, Inc.* 107 F.3d at 1571. No reasonable jury could find that the '700 patent specification provides an adequate written description for any of the asserted claims.

¹¹ DX 39 at Figure 10.

First, as Mr. Dezmelyk has testified, there is no support in the written description of the '700 patent (“the ‘700 specification”) for claim coverage of controllers having three independently hand operable input members, and no input member movable in 6DOF relative to a reference member on the controller. Anascape asserts under the Court’s claim construction that the “first element”, “second element”, and “third element” of asserted independent claim 16 read on a cross switch, a first joystick and a second joystick, respectively, wherein the cross switch, first joystick and second joystick are each independent from one another and can be operated independently (e.g., with different hands or digits). For claim 19, the only difference is that the first element is referred to as “platform.” All of the embodiments and descriptions in the '700 specification are limited to a controller having a single input member moveable in 6DOF relative to a reference member on the controller.¹² Claims 16 and 19 thus fail the written description requirement. Claim 14 is similarly unsupported. For claim 14, Anascape asserts that the “first element” purportedly reads on a cross switch, and the four bidirectional proportional sensors read on sensors within two joysticks. Again, there is no disclosure in the '700 specification to support a claim wherein the referenced “elements”, or “sensors” are independent input members or parts of independent input members and are not operatively connected to a single input member moveable in 6DOF relative to a reference member on the controller. Claim 14 thus also fails the written description requirement.

Furthermore, the evidence has shown that claim 19 fails the written description requirement because the scope of that claim as construed by the Court and asserted by Anascape does not require a single input member movable in 6DOF relative to a reference member on the controller. The '700 patent application as originally filed discloses only controllers having such

¹² Nintendo reserves the right to contend that the '700 specification filed in 2000 was not broadened relative to the 1996 specification because the '525 specification is part of the '700 prosecution, and/or that the patentee is legally estopped from contending otherwise by his changing the priority claim of the '700 to the '525 from “continuation in part” to “continuation.”

an input member. It does not disclose to someone skilled in the art that Mr. Armstrong had possession of a claim that can cover a controller having three independently touchable input members, none of which is movable in 6DOF relative to a reference member on the controller. The written description does not support, for example, two controllers wired together that generate output signals when moved around in free space, not relative to a reference member on any controller; no reasonable jury could find such support. As Mr. Dezmelyk testified, no reasonable jury could find that the '700 patent application filed in 2000 provides a sufficient written description to demonstrate that Mr. Armstrong had possession of any of the subject matter he added by amendment in July 2002 after he took apart Nintendo's Gamecube controller.¹³ A person of ordinary skill in the art would not understand the '700 specification as providing a description of any invention that lacked the ability to respond to hand movement in 6DOF relative to a reference member on the controller. The asserted claims thus fail the written description requirement for this additional reason.

Finally, claim 16 fails the written description requirement for an independent reason: there is no support in the specification for a "3D graphics controller" having the specific combination of elements defined in claim 16. More specifically, the '700 specification lacks support for the combination of the claimed first element structured to activate four unidirectional sensors and the claimed second element structured to activate a first two bi-directional proportional sensors, wherein both the first element and second element are connected to the claimed first sheet present in a "3D graphics controller." Claim 16 thus fails the written description requirement for this additional reason as well as for the reasons set forth above.

¹³ To whatever extent the prohibition on adding "new matter" imposed by 35 U.S.C. 132 does not implicate the same standard as 35 U.S.C. §112 first paragraph, Nintendo contends that the '700 patent is invalid for this independent reason.

In sum, there is no written description support in the '700 specification for the asserted claims. No reasonable jury could find otherwise. The evidence has shown this lack of support clearly and convincingly, and Anascape has failed to establish a conflict in substantial evidence on written description. The asserted claims of the '700 patent are thus invalid for failure to satisfy the written description requirement as a matter of law.

D. Anascape Has Not Adduced Legally Sufficient Evidence that It Suffered Compensable Damages

Anascape bears the burden of proving damages and presenting legally sufficient evidence to establish the amount to be paid in reasonable royalty. *Oiness v. Walgreen Co.*, 88 F.3d 1025, 1029 (Fed. Cir. 1996); *Trell v. Marlee Electronics Corp.*, 912 F.2d 1443, 1447 (Fed. Cir. 1990). Damages may not be determined by “mere speculation or guess.” *Oiness*, 88 F.3d at 1030. Where the plaintiff’s damages calculation is a “vague estimation and gross extrapolation” that is “fraught with speculation,” the evidence is insufficient to support a jury award. *Id.* at 1029. “[T]he true measure of a patentee’s general damages must be the value of what was taken. For example, a free to be used in measuring damages to be paid for infringement of one patent cannot also encompass payments for permission to practice other patented inventions.” *Bandag, Inc. v. Gerrard Tire Co.*, 704 F.2d 1578, 1582 (Fed. Cir. 1983) (citations omitted); *cf. Applied Med. Res. Corp. v. United States Surgical Corp.*, 425 F.3d 1356, 1361 (Fed. Cir. 2006) (“Consistent with our precedent, reasonable royalty damages are not calculated in a vacuum without consideration of the infringement being redressed”).

Anascape failed to carry its burden of production and no legally sufficient evidentiary basis exists for an award of damages as a matter of law. Anascape does not offer and cannot establish an evidentiary basis to calculate a reasonable royalty. In particular, Anascape’s expert provided no basis grounded in evidence for his calculations of a reasonable royalty. In light of

Anascape's "mere speculation" and unsupported statements regarding damages in this case (*see Oiness*, 88 F.3d at 1030), the Court should grant Nintendo's JMOL as to damages.

CONCLUSION

For the foregoing reasons, the Court should grant Nintendo's Motion for Judgment as a Matter of Law and order judgment in favor of Nintendo.

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Respectfully submitted,

/s/ James S. Blank

James S. Blank
(james.blank@lw.com)
Sabrina Y. Hassan
(sabrina.hassan@lw.com)
LATHAM & WATKINS LLP
885 Third Avenue
New York, NY 10022
Tel.: (212) 906-1200
Fax: (212) 751-4864

Robert J. Gunther, Jr.
(robert.gunther@wilmerhale.com)
WILMER HALE
399 Park Avenue
New York, NY 10022
Tel: (212) 230-8830
Fax: (212) 230-8888

Robert W. Faris
(rwf@nixonvan.com)
Joseph S. Presta
(jsp@nixonvan.com)
NIXON & VANDERHYE, P.C.
1100 North Glebe Road
8th Floor
Arlington, VA 22201
Tel.: (703) 816-4000
Fax: (703) 816-4100

Charles W. Goehring, Jr.
(cwgoehring@germer.com)
Lawrence L. Germer
(llgermer@germer.com)
Texas Bar No. 07824000
GERMER GERTZ L.L.P.
550 Fannin, Suite 400
P.O. Box 4915
Beaumont, Texas 77704
Tel.: (409) 654-6700
Fax: (409) 835-2115

**Attorneys for Defendant and Counterclaimant
Nintendo of America Inc.**