

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'S RENEWED
MOTION FOR JUDGMENT AS A MATTER OF LAW OR, IN THE ALTERNATIVE, A
NEW TRIAL**

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I. INTRODUCTION

After more than a full day of deliberations, the jury returned a verdict that Claim 19 of U.S. Patent No. 6,906,700 was not infringed by the Wii remote combined with the Wii Nunchuk, but that (1) the Wii Classic when combined with the Wii Remote infringed claims 19, 22 and 23; (2) the GameCube controller infringed claims 14, 16, 19, 22 and 23, (3) the WaveBird wireless controller infringed claim 14, and the '700 patent was not invalid. The jury awarded Anascape \$21 million dollars in damages.¹ Because substantial evidence does not exist to support the verdicts of infringement and validity, Nintendo of America Inc. ("Nintendo") now renews its motion for judgment as a matter of law of non-infringement and invalidity of the '700 patent. In particular, Nintendo moves this Court to order judgment as a matter of law on the following grounds:

- No reasonable jury could find that the asserted '700 patent claims, as construed by the Court, are entitled to a 1996 priority date
- No reasonable jury could find that the asserted '700 patent claims, as construed by the Court, are supported by an adequate written description;
- No reasonable jury could find that the asserted claims are valid over the prior art;
- No reasonable jury could find that the Wii Classic connected to the Wii Remote literally infringes claims 19, 22, or 23 of the '700 patent because not all elements of those claims are found in the Wii Classic connected to the Wii Remote;
- No reasonable jury could find that the GameCube controller literally infringes claims 14, 16, 19, 22, or 23 of the '700 patent because not all elements of those claims are found in the GameCube controller;
- No reasonable jury could find that the WaveBird controller literally infringes claim 14 of the '700 patent because not all elements of that claim are found in the WaveBird controller; and
- No reasonable jury could find that Anascape is entitled to damages.

¹ On June 26, 2008 the Court denied Nintendo's motion for remittitur and a new trial on damages. Nintendo reserves the right to appeal the denial of this motion.

II. PATENT BACKGROUND AND TECHNOLOGY

A. The 1996 Application

On July 5, 1996, Brad Armstrong filed what he refers to as his “warehouse” patent application. (Tr. at 159: 9-24 (Armstrong Dir.); PTX 4/DTX 12.1). According to Mr. Armstrong, the 1996 application described all of his various inventions, even though he claimed only a subset of those inventions at that time. (Tr. at 156:24-157:19 (Armstrong Dir.)). The 1996 application discloses various embodiments of a single input, 6DOF controller. A single input, 6DOF controller is a controller that accepts hand inputs on a single input member in all 6 degrees of freedom.

Mr. Armstrong was not the first to invent a 6DOF controller. (Tr. at 248:11-13 (Armstrong Cr.)) Rather, the 1996 application describes, among other things, a single input member 6DOF controller for controlling graphics. (*See generally* DX 12.1 and at 12-1.9 (“The controllers provide structuring for converting full six degrees of freedom physical input provided by a human hand on a hand operable single input member. . . .”)) The 1996 application also describes the use of additional inputs, such as buttons, to provide additional control (Tr. at 294:16-24 (Armstrong Cr.)), but in each figure and embodiment in the application, 6DOF control is always accomplished with one input member. (Tr. at 295:4-13 (Armstrong Cr.); 1122:7-12 (Dezmelyk Dir.)).

In fact, the 1996 application refers to single input members capable of movement in 6DOF 17 times – once in the Abstract, nine times in the Background Of The Invention, six times in the Summary Of The Invention, and once in the Best Mode For Carrying Out The Invention. (DTX 12.1). The only time the 1996 Application discusses multiple input members that, together produce 6DOF, is to criticize such devices:

Another prior art disclosure believed somewhat relevant is taught in U.S. Patent number 5,298,919 issued March 29, 1994 to M. Chang. The Chang device is basically a six degree of freedom computer controller for computer graphics, and includes a generally flat plane printed circuit board on which all of the sensors are mounted. However, as will become appreciated, in Chang's controller the lack of a hand operable single input member operable in six degrees of freedom has many significant disadvantages. Further the Chang controller does not have a [sic] any input member capable of being manipulated in 6DOF relative to any reference member of the controller, which yields additional significant disadvantages.

* * *

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.

(DTX 12.1 at 12-1.7, 12-1.8).

B. The '700 Patent

The application for the '700 patent was filed on November 16, 2000. (PTX 1, PTX 4) It generally relates to hand operated controllers having at least one input member which can be used to control or assist in controlling an image on a display. ('700 patent at 2/37-51 (PTX1)) It is classified on its face as a continuation of the 1996 application. ('700 patent at 1/5-7 (PTX1)) Despite that classification, it is undisputed that the specification of the '700 patent is not identical to the specification of the 1996 application but that in fact numerous changes were made. (Tr. at 306:12-19; 309:2-7 (Armstrong Cr.); 1254:1-1255:21 (Dezmelyk Dir.))

The '700 patent specification describes controllers with "at least one input" (rather than a "single input" as described in the 1996 application) which control in "3D or six degrees of freedom" and are "not restricted or required to be full six degrees of freedom" (as opposed to the 1996 application which described controllers that "provide structuring for converting full six degrees of freedom"). ('700 patent at 2/18-36 (PTX1); 1996 application at 6 (DTX 12.1 at 1-1.9)). Additional changes from the 1996 application to the '700 patent include:

- deletion of 16 of the 17 mentions of “single input member” (Tr. at 314:2-6 (Armstrong Cr.);
- deletion of the descriptions of prior art devices relating to single input members (compare PTX 1 with DTX 12.1 at 12-1.4 to 12-1.8);
- deletion of the entire discussion/criticism of Chang and controllers having more than one input member required to obtain control in 6DOF (Tr. at 325:21-326:14 (Armstrong Cr.); Tr. at 1255:13-17 (Dezmelyk Dir.); compare PTX 1 with DTX 12.1 at 12-1.7 to 12-1.8);
- addition of language describing controllers with “at least one input member” (Tr. at 315:22-316:4; 320:8-16 (Armstrong Cr.); Tr. at 1254:21-25 (Dezmelyk Dir.); compare generally PTX 1 with DTX 12.1); and
- replacement of “6DOF controller” with “3D controller.” (Tr. at 315:22-316:4 (Armstrong Cr.); 1354:16-22 (Dezmelyk Cr.); compare generally PTX 1 with DTX 12.1)

Like the specification of the ‘700 patent, the asserted claims of the ‘700 patent, which were added during prosecution by way of a 2002 amendment, also are not limited (under the Court’s claim construction) to a controller in which a single input member accepts six degrees of freedom of hand input.

Shortly before filing the application for the ‘700 patent in 2000, Mr. Armstrong searched the Internet for sources describing Nintendo’s next-generation controller, code named “Dolphin.” (Tr. at 331:8-23 (Armstrong Dir.); DTX 211). Through that search Mr. Armstrong was able to locate a website which released pictures of what it believed the GameCube controller would look like. (Tr. at 333:19-25 (Armstrong Cr.); DTX 212). As a result, Mr. Armstrong had an idea of what the GameCube controller would look like when he wrote the application for the ‘700 patent. (Tr. at 334:5-19 (Armstrong Cr.)). When the GameCube controller was finally released, Mr. Armstrong obtained it, took it apart, and wrote claims intending to cover it, which were submitted to the United States Patent and Trademark Office in 2002. (Tr. at 363:14-364:21 (Armstrong Cr.))

III. LEGAL STANDARD

Judgment as a matter of law is appropriate when “there is no legally sufficient evidentiary basis for a reasonable jury to find for that party on that issue.” Fed. R. Civ. P. 50(a). “The grant or denial of a motion for judgment as a matter of law is a procedural issue not unique to patent law, reviewed under the law of the regional circuit in which the appeal from the district court would usually lie.” *Summit Tech., Inc. v. Nidek Co.*, 363 F.3d 1219, 1223 (Fed. Cir. 2004). The Fifth Circuit’s standard for reviewing a jury verdict is whether “the state of proof is such that reasonable and impartial minds could reach the conclusion the jury expressed in its verdict.” *American Home Assurance Co. v. United Space Alliance*, 378 F.3d 482, 487 (5th Cir. 2004) (quoting *Liberty Mut. Ins. Co. v. Falgoust*, 386 F.2d 248, 253 (5th Cir. 1967)). JMOL is proper where there is a lack of substantial evidence, viewed in the light most favorable to the successful party, to support the jury’s factual findings, or the legal conclusions implied from the jury’s verdict cannot, in law, be supported by those findings. *American Home*, 378 F.3d at 487. “Substantial evidence is more than a mere scintilla. It means such relevant evidence as a reasonable mind might accept as adequate to support a conclusion.” *TGIP, Inc. v. AT&T Corp.*, 527 F.Supp.2d 561, 569 (E.D. Tex. 2007) (quoting *Eli Lilly & Co. v. Aradigm Corp.*, 376 F.3d 1352, 1363 (Fed. Cir. 2004))

IV. ARGUMENT

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

There is no dispute that the Sony DualShock 2 controller anticipates claims 14, 19, 22, and 23, of the ‘700 patent if it is prior art to the ‘700 patent. Mr. Dezmelyk presented uncontroverted testimony at trial that the Sony DualShock 2 contains each and every element of claims 14, 19, 22 and 23, (discussed *infra*). Dr. Howe failed to provide any testimony or

evidence to the contrary. Similarly, there is no dispute that the Sony DualShock controller and the 1998 Goto Patent Application each anticipate claims 19, if they are prior art to the ‘700 patent. Again, Mr. Dezmelyk presented uncontroverted testimony on this point at trial (discussed *infra*). Finally, there is no dispute that the Sony DualShock 2 controller, combined with the Goto reference, renders claim 16 of the ‘700 patent obvious, if they are prior art to the ‘700 patent. Mr. Dezmelyk presented uncontroverted testimony on this point at trial (discussed *infra*).

Thus, the only disputed issue at trial was whether the Sony DualShock 2, the Sony DualShock, and the 1998 Goto reference are prior art to the ‘700 patent. That dispute turns on whether the asserted claims of the ‘700 patent are entitled to claim priority to its 1996 parent application. Indeed, even Mr. Armstrong admitted that it was “critical” for the ‘700 patent to have a priority date of 1996, because without it, the patent is invalid. (Tr. at 247:1-7 (Armstrong Cr.))

1. The ‘700 Patent Is Not Entitled To The Filing Date Of The 1996 Application

The ‘700 patent was filed in November 2000, and is categorized on its face as a “continuation” of the 1996 application. According to § 201.07 of the Manual of Patent Examining Procedure, “a continuation is a second application for the same invention claimed in a prior nonprovisional application and filed before the original prior application becomes abandoned or patented.”² (MPEP § 201.07; Tr. at 622:5-11 (Newman Cr.)). For a continuation application, “the disclosure presented in the continuation must be the same as that of the original application.” (Tr. at 622:14-19 (Newman Cr.); MPEP § 201.07). A continuation-in-part, on the

² The Federal Circuit takes judicial notice of the MPEP as an official interpretation of patent law. See *Litton Sys. v. Whirlpool Corp.*, 728 F.2d 1423, 1439 (Fed. Cir. 1984).

other hand, can contain new matter in the application, but claims to that new matter will not be entitled to the earlier filing date. (MPEP § 201.11); *PowerOasis, Inc. v. T-Mobile USA, Inc.*, 522 F.3d 1299, 1306 (Fed. Cir. 2008).

As discussed above, there is no dispute that the ‘700 patent specification is not identical to the 1996 application. (Tr. at 306:12-19; 309:2-7 (Armstrong Cr.); 1254:1-1255:21 (Dezmelyk Dir.)); (compare PTX 1 with DTX 12.1). Numerous changes were made to the ‘700 patent specification to broaden the scope of the disclosure and thus the scope of the permissible claims. For example, explicit disclaimers as to what the invention was not (which, as a matter of law, limit the scope of the claims), were deleted. (Tr. at 325:21-326:14 (Armstrong Cr.); compare PTX 1 with DTX 12.1 at 12-1.7 to 12-1.8. References to a “single input member” were deleted or changed to “at least one input member.” (Tr. at 315:22-316:4; 320:8-16 (Armstrong Cr.); Tr. at 1254:21-25 (Dezmelyk Dir.)); compare PTX 1 with DTX 12.1 The discussion of single input member prior art devices was deleted. (compare PTX 1 with DTX 12.1 at 12-1.4 to 12-1.8)). References to a 6DOF controller were changed to a 3D controller. (Tr. at 315:22-316:4 (Armstrong Cr.); 1354:16-22 (Dezmelyk Cr.); compare PTX 1 with DTX 12.1) Mr. Dezmelyk testified that each of these changes broadened the scope of the ‘700 patent disclosure (Tr. at 1255:1-21), and indeed there can be no legitimate dispute that that is the case. The result, however, is that the asserted claims (as construed by the Court) are not entitled to the 1996 priority date because the 1996 application does not contain an adequate written description of those claims.

a. The Claims of the ‘700 Patent Are Not Adequately Described in the 1996 Application

The claims of a later application are only entitled to the benefit of an earlier filing date under 35 U.S.C. § 120 if the earlier application adequately describes those claims. Whether

there is an adequate written description in the earlier application for the later filed claims is determined under the standard of 35 U.S.C. § 112, ¶1. *See Reiffin v. Microsoft Corp.*, 214 F.3d 1342, 1346 (Fed. Cir. 2000). 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 he inventor actually invented and possessed the full scope of the inventions recited in each asserted claim of the ‘700 patent. *See id.* at 1345; *Chiron Corp. v. Genentech, Inc.*, 363 F.3d 1247, 1255 (Fed. Cir. 2004); *Tronzo v. Biomet, Inc.*, 156 F.3d 1154, 1159 (Fed. Cir. 1998); *LizardTech v. Earth Res. Mapping*, 424 F.3d 1336, 1344 (Fed. Cir. 2005); *Lockwood v. American Airlines, Inc.*, 107 F.3d 1565, 1571 (Fed. Cir. 1997).

No reasonable jury could find that the 1996 application supports claims 14, 16, 19, 22, or 23 of the ‘700 patent as required by § 112, ¶1.³ As explained by Mr. Dezmelyk, the 1996 application only describes embodiments in which one input member can move in all six degrees of freedom relative to a reference member on the controller. (Tr. at 1122:7-12; 1187:7-19 (Dezmelyk Dir.) Even Mr. Armstrong admitted that each embodiment disclosed in the 1996 application contains a single input member that is movable in 6DOF relative to a reference member. (Tr. at 295:4-13 (Armstrong Cr.)) The 1996 application fails to describe any embodiment in which multiple input members can be combined to achieve 6DOF, as the claims were construed by the Court.⁴ (Tr. at 1189:1-4 (Dezmelyk Dir.); DTX 12.1) And it is undisputed that the 1996 application fails to disclose or suggest three bidirectionally movable

³ Nintendo disputes that the issue of priority date is one of fact, as opposed to law, in view of the Federal Circuit’s decision in *PowerOasis v. T-Mobile USA*, 522 F.3d 1299 (Fed. Cir. 2008).

⁴ Nintendo continues to dispute that this is the correct construction of the claims. As Nintendo argued in its Markman briefing and at the Markman hearing, “controller” is properly construed as requiring a single input member movable in six degrees of freedom relative to a reference member on the controller. Such an input member is absent from all of Nintendo’s accused devices. Nintendo specifically preserved its objections to the Court’s claim constructions at the Markman stage and through its proffer of jury instructions containing the correct constructions of these terms.

input members that are each independently movable by the user. (Tr. at 1476:2-10; 1477:19-1478:1; 1479:3-8 (Howe Cr.); 1184:2-17 (Dezmelyk Dir.))

Although Anascape's witnesses testified that the 1996 application describes embodiments with multiple input members, such as a collet or buttons, every such embodiment still has a single input member operable in 6DOF relative to a reference member on the controller. (Tr. at 290:12-20; 294:25-295:14 (Armstrong Cr.); 1111:3-1112:11; 1113:7-10 (Dezmelyk Dir.); DTX 12.1) To be clear, the issue is not whether the 1996 application discloses multiple input members per se, but whether the 1996 application supports the full breadth of the '700 patent claims as construed by the Court, including the feature of combining 3 or more input members to achieve six degrees of freedom control with that combination of input members.⁵ Anascape's own expert admitted it does not.⁶ (Tr. at 1476:2-10; 1477:19-1478:1; 1479:3-8 (Howe Cr.)).

In fact, the 1996 application cannot, as a matter of law, support a claim for multiple input members which together achieve 6DOF control because the application specifically criticizes prior art devices of that type as "structurally and functionally deficient" for lacking a single input

⁵ Anascape asserts under the Court's claim construction that the "first element," "second element," and "third element" of 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 fingers). Claim 19 is the same, except that the first element is referred to as a "platform" in the claim. Anascape's own expert admitted that the 1996 application lacks a description of three bidirectional input members that are independent from one another and can be operated independently. (Tr. at 1479:3-8 (Howe Cr.)).

⁶ Anascape attempted at trial to find support in the specification by taking sentences out of context, which is improper. See *Pfizer, Inc. v. Teva Pharms. USA, Inc.*, 429 F.3d 1364, 1373 (Fed. Cir. 2005) (In construing claims, it is "necessary to consider the specification as a whole, and to read all portions of the written description, if possible, in a manner that renders the patent internally consistent."); *Sinorgchem Co. v. ITC*, 511 F.3d 1132, 1145 (Fed. Cir. 2007) ("When the entire specification including the specific examples is consulted, rather than selected snippets, the correct claim scope is apparent from the specifications.").

member capable of 6DOF control.^{7, 8} (DTX 12.1 at 12-1.7 to 12-1.8). *Astrazeneca AB v. Mutual Pharm., Co.*, 384 F.3d 1333, 1340 (Fed. Cir. 2004) (“Where the general summary or description of the invention describes a feature of the invention. . . and criticizes other products. . . that lack that same feature, this operates as a clear disavowal of these other products.”); *SciMed Life Sys., Inc. v. Advanced Cardiovascular Sys., Inc.*, 242 F.3d 1337, 1341 (Fed. Cir. 2001) (excluding subject matter from claim scope based on clear disclaimer in the specification). One skilled in the art would understand the 1996 application to exclude devices having multiple input members which together produce 6DOF. (Tr. at 1166:6-1167:4 (Dezmelyk Dir.))

As Mr. Dezmelyk testified, a person of ordinary skill in the art would find no 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 movable in full 6DOF relative to a reference member of the controller. (Tr. at 1094:18-24; 1183:23-1184:17 (Dezmelyk Dir.)) 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.

⁷ See also DTX 12.1 at 12-1.7 (“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”); DTX 12.1 at 12-1.8 (“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.”); DTX 12.1 at 12-1.9 (“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 DTX 12.1 at 12.1-12 to 12.1-13.

⁸ Nintendo’s expert Mr. Dezmelyk testified that he reviewed the Chang patent criticized by Anascape in the 1996 application. (Tr. at 1161:10-12 (Dezmelyk Dir.)) The Chang patent describes a hand operated computer controller with three independently operable input members which can be used in combination to achieve 6DOF. (Tr. at 1162:18-1164:21 (Dezmelyk Dir.); DX 52)

2. The Evidence of Record, Including The Inventor's Own Testimony, Shows As A Matter Of Law That The Asserted Claims Are Invalid in view of the Prior Art

Anticipation is a question of fact, and a jury determination of anticipation is reviewed for sufficient evidence. *Minnesota Mining & Mfg. Co. v. Chemque, Inc.*, 303 F.3d 1294, 1301 (Fed. Cir. 2002). Obviousness is a legal question based on factual determinations. "In review of a jury verdict on the ground of obviousness, the underlying findings of fact, whether explicit or presumed as necessary to support the verdict, are reviewed for substantial evidentiary support; and the ultimate question of obviousness is reviewed for correctness in law, based on the factual premises." *Cardiac Pacemakers, Inc. v. St. Jude Med., Inc.*, 381 F.3d 1371, 1375 (Fed. Cir. 2004). Because the '700 patent claims are not entitled to the 1996 priority date, but instead to the November 2000 filing date of the '700 patent, Nintendo presented clear and convincing, unrebutted evidence at trial that the asserted claims of the '700 patent are invalidated by three prior art references either alone or in combination: (1) the Sony DualShock controller; (2) the 1998 Goto reference; and (3) the Sony DualShock 2 controller. No reasonable jury could find otherwise.

a. Claims 14, 19, 20, 22 and 23 are Invalid As Anticipated By The Prior Art

The Sony DualShock controller (DTX 103, 104) was publicly available in the U.S. in 1998 (*See* DTX 97; Tr. at 1403:4-17 (Panico Dep.); 1212:10-12 (Dezmelyk Dir.)), more than one year before the filing date of the '700 patent, and is thus 102(b) prior art to the '700 patent. 35 U.S.C § 102(b). As explained by Mr. Dezmelyk, the DualShock controller meets every limitation of claim 19 (as construed by Anascape for infringement purposes). (Tr. at 1220:25-1221:6 (Dezmelyk Dir.)) It has a cross switch rotatable on two mutually perpendicular axes. (Tr. at 1220:6-9 (Dezmelyk Dir.)). It has two thumbsticks with bidirectional proportional

sensors in the form of rotary potentiometers. (Tr. at 1219:9-20; 1220:6-18 (Dezmelyk Dir.)). It also has a vibration feedback caused by a motor with an offset weight, thereby satisfying the “tactile feedback means” limitation as construed by the Court. (Tr. at 1219:21-22; 1220:6-18 (Dezmelyk Dir.)) Finally, it has a plurality of finger depressible buttons. (Tr. at 1219:23-1220:18 (Dezmelyk Dir.)) This evidence is uncontroverted.⁹ Accordingly, no reasonable jury could conclude that claim 19 of the ‘700 patent is valid.

The 1998 Goto reference is a PCT application that was published in 1998, more than one year prior to the filing date of the ‘700 patent. (DTX 39). Thus, it is 102(b) prior art to the ‘700 patent. 35 U.S.C. § 102(b). The Goto reference is assigned to Sony. (Tr. at 1101:5-10; DTX 39). The figures of the Goto reference show a game controller that is nearly identical to the Sony DualShock. (Compare DTX 39 Figures 1-6 and accompanying description with DTX 103). Mr. Dezmelyk testified that in his opinion, the Goto reference describes each element of claim 19 under Anascape’s interpretation of the claims for infringement purposes. (Tr. at 1237:13-23; 1238:5-13; 1243:7-22 (Dezmelyk Dir.)) Anascape presented no evidence regarding the scope and content of the Goto reference. Thus, no reasonable jury could find that claim 19 is valid in view of the 1998 Goto reference

The Sony DualShock 2 controller (DTX 105, 106) went on sale in the United States in October 2000 (Tr. at 1399:18-20 (Panico Dep.); 1101:14-17 (Dezmelyk Dir.)) and was thus known or used by others prior to the filing of the ‘700 patent as required by § 102(a). 35 U.S.C. § 102(a). Mr. Dezmelyk presented clear and convincing evidence at trial that the DualShock 2 controller anticipates claim 19 of the ‘700 patent (as interpreted by Anascape for infringement purposes). (Tr. at 1227:7-1231:8; 1231:18-1233:9 (Dezmelyk Dir.)). Mr. Dezmelyk also

⁹ Anascape presented no evidence regarding the scope and content of the prior art. Instead, it made the tactical decision to rely on its argument that the ‘700 patent is entitled to a 1996 priority date.

presented clear and convincing evidence that the DualShock 2 anticipates dependent claims 22 and 23. (Tr. at 1238:14-1239:22 (Dezmelyk Dir.)). Finally, Mr. Dezmelyk testified that in his opinion, the Sony DualShock 2 controller also anticipates claim 14 of the '700 patent. Mr. Dezmelyk explained the reason for his opinion and presented a claim chart demonstrating clearly and convincingly that the claim is anticipated. (Tr. at 1239:24-1241:15 (Dezmelyk Dir.)). As with every prior art reference presented by Nintendo at trial, Anascape did not present any evidence regarding the scope and content of the DualShock 2 controller. Accordingly, the evidence at trial clearly and convincingly demonstrates that claims 14, 19, 22, and 23, are anticipated by the Sony DualShock 2 controller under Anascape's asserted construction (Tr. at 1217:18-1218:7; 1222:4-10 (Dezmelyk Dir.)). No reasonable jury could conclude otherwise.

b. The Evidence of Record Demonstrates As A Matter Of Law That Claim 16 Is Obvious Over The 1998 Goto Reference In View Of The Sony DualShock 2 Controller

At trial, Mr. Dezmelyk testified that in his opinion, claim 16 (as construed by Anascape for infringement purposes) is invalid because it is obvious in view of the prior art and the knowledge of one of ordinary skill in the art. (Tr. at 1246:19-23; 1248:5-8 (Dezmelyk Dir.)). Mr. Dezmelyk presented clear and convincing, uncontroverted evidence that the Goto reference precisely describes all but one limitation of claim 16: that the sensors for the two rotary potentiometers are located on separate flexible membrane sheets in two different planes. (Tr. at 1243:7-1244:7 (Dezmelyk Dir.)) The Sony DualShock 2, however, has two separate sheets. (Tr. at 1245:2-12 (Dezmelyk Dir.)). In addition, one of ordinary skill in the art at the time of the 200 application would have known that multiple sheets could be used. (Tr. at 1244:8-1245:1 (Dezmelyk Dir.)). Although the DualShock 2 does not describe the precise orientation of which sensors of claim 16 are on which sheet, Mr. Dezmelyk testified that it is a "very very slight

difference” and that one of ordinary skill in the art at the time of the ‘700 patent would know that they could move the connections around but still achieve the same result. (Tr. at 1245:2-12; 1246:4-18 (Dezmelyk Dir.)) Accordingly, Nintendo presented clear and convincing, uncontroverted evidence that claim 16 is obvious over the DualShock 2 controller in view of the Goto reference . No reasonable jury could find otherwise.

B. The ‘700 Patent Lacks A Sufficient Written Description Under 35 U.S.C. § 112, ¶1

The asserted claims of the ‘700 patent are invalid for yet another reason: they are not adequately described by the specification of the ‘700 patent as required by 35 U.S.C. § 112, ¶1. To satisfy the written description requirement, a patent 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 of its claimed limitations. *Gentry Gallery, Inc. v. Berkline 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 he inventor actually invented and possessed the full scope of the inventions recited in each asserted claim of the ‘700 patent. *See, e.g., Reiffin*, 214 F.3d at 1345; *Chiron*, 363 F.3d at 1255; *Tronzo*, 156 F.3d at 1159; *LizardTech*, 424 F.3d at 1159; *Lockwood*, 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.

Under the Court’s construction and the jury’s infringement determination, each asserted claim of the ‘700 patent is broad enough to cover a controller having three separate bi-directionally movable input members, each with its own sensors and each separately operable by a user. As admitted by Anascape’s own expert, the ‘700 patent specification does not describe

such an embodiment. (Tr. at 1479:3-8 (Howe Cr.)). Moreover, nothing in the ‘700 specification teaches or suggests that three separate and independent input members could substitute for a single input member operable in 6DOF relative to a reference member.¹⁰ (Tr. at 1253:6-18; 1257:5-12 (Dezmelyk Dir.)). At most, the ‘700 specification suggests controllers having “at least one” input member operable in 6DOF relative to a reference member. But this language does not disclose multiple input members which add up to 6DOF (Tr. at 1257:17-1260:13; 1261:5-16 (Dezmelyk Dir.)), rather, at most, it may suggest that a controller practicing the invention may have multiple 6DOF input members. Moreover, the reference to “at least one” input member in the specification does not support the specific combination of three input members as claimed.

In addition to the above, claim 16 is invalid under § 112, ¶ 1 for an additional reason: there is no support in the specification of the ‘700 patent for a “3D graphics controller” having a first element structured to activate four unidirectional sensors and a second element structured to activate a first two bi-directional proportional sensors, where both the first element and second element are connected to the claimed first sheet. (Tr. at 1253:6-18 (Dezmelyk Dir.))

¹⁰ As Nintendo explained in its *Markman* briefing and at the *Markman* hearing, the claims of the ‘700 patent as properly construed require a controller with an input member that, by itself, is capable of 6DOF movement relative to a reference member.

Thus, as Mr. Dezmelyk explained at trial (and Dr. Howe failed to refute), a person of ordinary skill in the art would not understand the '700 patent specification as describing an invention (such as that in the asserted claims) that lacks at least one input member which is itself capable of responding to hand movement in 6DOF relative to a reference member. Moreover, both experts agreed that the '700 specification fails to disclose a controller having three separate bi-directionally movable input members, each with its own sensors and each separately operable by a user. To find infringement of Nintendo's GameCube controller, WaveBird controller and Classic Controller when combined with the Wii Remote, the jury had to construe the claims as covering a device that has three bi-directionally movable input members that can each be independently operated by a user and lacks a single input member capable of control in 6DOF. The Court properly instructed the jury that the same claim scope should be used to determine both infringement and validity. But, both sides' experts agree that the '700 specification lacks a description of a device that has three bi-directionally movable input members that can each be independently operated by a user. (Tr. at 1479:3-8 (Howe Cr.); 1183:23-1184:17 (Dezmelyk Dir.)) Thus, there is no evidence to support a jury verdict that the full scope of the claims are supported by a sufficient written description.

It is not surprising that Mr. Armstrong's specification, filed in 2000, lacks a sufficient written description to demonstrate that he was in possession of the subject matter of the asserted claims, because those claims were not added until 2002, after Mr. Armstrong obtained and took apart Nintendo's GameCube Controller. (Tr. at 363:14-20; 364:7-12 (Armstrong Cr.)) Indeed, Mr. Armstrong admitted that he wrote the 2002 claims in an effort to cover the GameCube controller. (Tr. at 363:21-364:12 (Armstrong Cr.)). Accordingly, Nintendo presented clear and

convincing evidence that the claims of the ‘700 patent are invalid under 35 USC § 112, ¶ 1, and no reasonable jury could find otherwise.

C. As a Matter of Law, Nintendo Does Not Infringe Any Asserted Claims of the ‘700 Patent¹¹

An infringement analysis involves 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)). Then the properly construed claims are compared to the device accused of infringing. “JMOL on the issue of literal infringement ‘is appropriate if no reasonable fact finder could determine that the accused devices meet every limitation of the properly construed claims.’” *TGIP, Inc. v. AT&T Corp.*, 527 F.Supp.2d 561, 570 (E.D. Tex. 2007) (quoting *Elkay Mfg. Co. v. Ebco Mfg. Co.*, 192 F.3d 973, 980 (Fed. Cir. 1999)). For literal infringement, “every limitation set forth in a claim must be found in an accused product, exactly.” *Southwall Techs., Inc. v. Cardinal IG Co.*, 54 F.3d 1570, 1575 (Fed. Cir. 1995). Any deviation from the literal claim language precludes a literal infringement finding. *Telemac Cellular Corp. v. Topp Telecom, Inc.*, 247 F.3d 1316, 1330 (Fed. Cir. 2001).

As explained below, there is insufficient evidence to establish (1) that the Classic Controller when connected to the Wii Remote literally infringes claims 19, 22, or 23 of the ‘700 patent; (2) that the GameCube controller infringes claims 14, 16, 19, 22 or 23 of the ‘700 patent; or (3) that the Nintendo WaveBird wireless controller infringes claim 14 of the ‘700 patent.¹²

1. There Is Insufficient Evidence That The Wii Classic Controller When Connected to the Wii Remote Controller Literally Infringes Claims 19, 22, or 23.

¹¹ Anascape withdrew its allegations of infringement under the doctrine of equivalents at trial. (Tr. at 1519:2-13).

¹² Anascape also accused the Wii Remote connected to the Wii Nunchuk of infringing claim 19 of the ‘700 patent, but the jury returned a verdict of non-infringement on that issue.

a. There Is Insufficient Evidence To Support A Finding That the Second and Third Elements of Claims 19, 22, and 23 Each Control Objects And Navigate A Viewpoint

Claims 19, 22 and 23 require that the second element provides outputs “at least in part controlling objects and navigating a viewpoint.” The Court construed “navigating a viewpoint” to mean “positioning or orienting a user’s view.” (D.I. 186, Markman Order Part II at 13). The Court also noted that “the claim language already distinguishes between controlling objects and navigating a viewpoint. *Id.* Thus, the plain reading of the claim language requires that the second element both control an object and navigate a viewpoint, though not necessarily at the same time. Claim 19 contains identical language with respect to the third element. Thus, according to the claim, the third element must also both control an object and navigate a viewpoint. According to Anascape, the second element of Claim 19 is satisfied by one thumbstick on the classic controller, and the third element is satisfied by the second thumbstick on the classic controller. (Tr. at 406:12-18; 406:25-407:7; 409:4-17 (Howe Dir.)). However, Anascape failed to present any evidence at trial of a game in which both thumbsticks of the Wii Classic controller actually control objects and navigate viewpoints.¹³

Nintendo’s expert Mr. Dezmelyk testified that he tested every game cited by Anascape’s expert, and in not a single one did the two thumbsticks of the Wii Classic controller both control objects and navigate viewpoints. (Tr. at 1293:6-1294:1 (Dezmelyk Dir.)). Dr. Howe offered no evidence to rebut Mr. Dezmelyk’s testimony. Instead, Dr. Howe opined that the controller is “capable” of controlling objects and navigating a viewpoint, should a game programmer design and program a game in that fashion. (Tr. at 404:3-9 (Howe Dir.)). The fact that a device is capable of being modified to operate in an infringing manner is not sufficient, by itself, to

¹³ To the extent the claim requires more than just a controller that is “capable of” this function, Anascape failed to prove infringement. If, in fact, the claim does only require a controller “capable of” controlling objects and navigating a viewpoint, the claim is invalid in view of the prior art discussed *supra*.

support a finding of infringement. *TGIP, Inc. v. AT&T Corp.*, 527 F.Supp. 2d 561, 573-574 (E.D.Tex. 2007); *see also Telemac Cellular Corp.*, 247 F.3d at 1316 (E.D. Tex 2007) (cell phone system not reasonably capable of infringing due to a restriction in the software preventing customers from operating system in an infringing manner). Dr. Howe admitted that he had not performed the necessary study to determine whether the thumbsticks of the Wii Classic controller connected to the Wii Remote could actually control an object and navigate a viewpoint. (Tr. at 1504:22-1505:15 (Howe Cr.)). Accordingly, Anascape failed to carry its burden on infringement of this limitation, and JMOL of non-infringement is appropriate.

b. The “Tactile Feedback Means” Limitation Is Not Met

At trial, the Court construed “tactile feedback means” as a means plus function limitation according to 35 U.S.C. § 112 ¶ 6, with a meaning of “Providing electromechanical-created vibration to the user” and a corresponding structure of “Motor having a shaft with an offset weight and equivalents thereof.” (Tr. at 1545:7-13). As the Court correctly noted when construing the term, the only structure for “tactile feedback means” recited in the ‘700 patent, the 1996 application, and the ‘828 patent (referenced in the ‘700 patent) is a motor having a shaft and an offset weight attached to the shaft. Nonetheless, the Court denied Nintendo’s proposed identification of the corresponding structure as including “ a motor, shaft, and offset weight on the shaft and equivalents thereof.” However, the proper construction for the corresponding structure to the “tactile feedback means” is to limit it to the single structure disclosed in the specification and its equivalents. *See, e.g., Frank’s Casing Crew & Rental Tools, Inc. v. Weatherford Int’l, Inc.*, 389 F.3d 1370, 1377 (Fed. Cir. 2004) (affirming district court’s determination of structure to perform claimed function where district court identified the only structure in the patent for performing the function).

Anascape failed to prove infringement under a construction of “tactile feedback means” in which the offset weight is attached to the shaft of the motor. To do so, Anascape was required to show either that Nintendo’s products have the identical structure as that set forth in the specification of the ‘700 patent, or that Nintendo’s products have an equivalent structure . *Applied Med. Res. Corp. v. United States Surgical Corp.*, 448 F.3d 1324, 1333 (Fed. Cir. 2006); *Kemco Sales, Inc. v. Control Papers Co.*, 208 F.3d 1352, 1364 (Fed. Cir. 2000).

Anascape presented no testimony or other evidence at trial that Nintendo’s products have a motor with an offset weight attached to the shaft. In fact, Anascape’s expert Dr. Howe presented no evidence about the inside of the motor in Nintendo’s products to determine its structure. Without knowing the structure of the motor, any opinion by Dr. Howe that it performs the vibration function in substantially the same way is pure conjecture unsupported by any actual facts, and is thus insufficient to support a finding of infringement. In addition, Nintendo is entitled to JMOL of non-infringement under the correct interpretation of “tactile feedback means,” that is, a structure in which the weight is attached to the shaft.

c. The Wii Classic When Connected To The Wii Remote Is Not “A Controller”

The Court construed “controller” as “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.” (D.I. 182, Markman Order Part I at 11). At trial, Nintendo elicited testimony that the Wii Remote connected to the Wii Classic is not “a device” but is in fact two devices. It is undisputed that the Wii Classic is sold separately from the Wii Remote. (Tr. at 866:12-24 (Ikeda Cr.)). The two are then connected with a wire for use. (Tr. at 433:6-8 (Howe Dir.)). Mr. Dezmelyk testified that in his opinion, the Wii Remote and Wii Classic are two separate devices. (Tr. at 1291:15-1292:18). Thus, the

weight of the evidence demonstrates that the Wii Remote when connected to the Wii Classic Controller is not “a device” as required by the Court’s claim construction, but is in fact two separate devices. Accordingly, JMOL of non-infringement on the Wii Remote connected to the Wii Classic Controller is appropriate.

2. There Is Insufficient Evidence To Uphold The Jury’s Verdict That The Nintendo GameCube Controller Infringes Claims 14, 16, 19, 22 or 23 Or That The Nintendo WaveBird Wireless Controller Infringes Claim 14

a. The “Tactile Feedback Means” Limitation of Claims 16, 19, 22 and 23 Is Not Met.

Anascape’s case with regard to the tactile feedback means in the GameCube controller is deficient for the same reasons as with respect to the Wii Remote connected to the Wii Classic controller. Anascape simply failed to present any competent evidence as to the actual structure and function of the motor contained in the Nintendo products. *See supra*.

b. There Is Insufficient Evidence To Support A Finding That GameCube Meets the Second and Third Elements of Claims 19, 22, and 23 Which Require Controlling Objects And Navigating A Viewpoint

Anascape’s case with regard to whether the second and third elements of the GameCube controller each control objects and navigate a viewpoint is deficient for the same reasons as with respect to the Wii Remote connected to the Wii Classic controller. *See supra*. Not only did Anascape simply fail to present any evidence that each thumbstick of the GameCube controller actually both controls an object and navigates a viewpoint, but it also failed to rebut the testimony of Nintendo’s expert that this limitation is not met by the GameCube and WaveBird controllers. (Tr. at 1293:6-1294:1 (Dezmelyk Dir.)). Dr. Howe admitted that he had not performed the necessary study to determine whether the Nintendo controllers actually control an

object and navigate a viewpoint. (Tr. at 1504:22-1505:15 (Howe Cr.)). Accordingly, Anascape failed to carry its burden on infringement of this limitation, and JMOL of non-infringement is appropriate.

c. There Is Insufficient Evidence To Support A Finding That Either The GameCube Controller or WaveBird Wireless Controller Is Capable of Controlling Movement of Objects In Six Degrees of Freedom As Required By Claims 14 and 16

Claims 14 and 16 both require a “3-D graphics controller.” The Court construed “3-D” as “capable of movement in six degrees of freedom.” (D.I. 182, Markman Order Part I at 11). No reasonable jury could conclude, based on the evidence presented at trial, that the GameCube Controller or WaveBird Wireless controller can be used to control movement in six degrees of freedom. Although the ‘700 patent uses the term 6DOF (and 3D) to refer to physical inputs to the controller, the Court’s construction of six degrees of freedom (or 6DOF) provides that an object on a screen is capable of being controlled on all three linear axes – forward/backward, left/right, and up/down – and that it can rotate about each of those axes in movements referred to as roll, pitch, and yaw. (Tr. at 1106:11-1107:14 (Dezmelyk Dir.)) Anascape’s demonstration of 3-dimensional graphics failed to prove that the controllers control in 6DOF because not every graphics controller for 3-dimensional graphics controller is a 6DOF controller. (Tr. at 1300:1-1301:10 (Dezmelyk Dir.)) In fact, Nintendo’s expert testified that the GameCube and WaveBird are not 6DOF controllers (Tr. at 1301:20-1302:5 (Dezmelyk Dir.)). Accordingly, Anascape failed to carry its burden of proof on infringement of the ‘700 patent by the GameCube and WaveBird controllers.

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.*, 435 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.

In addition, for the reasons set forth in Nintendo’s Motion for Remittitur, or, in the Alternative, a New Trial, Anascape failed to present any evidence to support a reasonable royalty greater than 5% on a royalty base consisting of post-suit sales of the Wii Classic, GameCube and Wavebird.

V. MOTION FOR A NEW TRIAL

A. APPLICABLE LAW

Federal Rule of Civil Procedure 59(a) broadly provides that a new trial may be granted in an action which there has been a trial by jury “for any reason for which a new trial has heretofore been granted in an action at law in federal court.” Fed. R. Civ. P. 59(a). “A new trial may be granted, for example, if the district court finds the verdict is against the weight of the evidence, the damages awarded are excessive, the trial was unfair, or prejudicial error was committed in its course.” *Smith v. Transworld Drilling Co.*, 773 F.2d 610, 613 (5th Cir. 1985). Nintendo of America moves for a new trial on liability and damages for the reasons set forth below and for the reasons set forth in its motion for remittitur and reply in support thereof. (D.I. 337, 349)

B. ARGUMENT

1. A New Trial Is Proper Because The Court’s Claim Construction Was Erroneous

A new trial or judgment as a matter of law is proper where an infringement verdict relies on incorrect construction of the disputed claim terms. *See Finisar Corp. v. DirecTV Group, Inc.*, 523 F.3d 1323, 1333 (Fed. Cir. 2008).

Nintendo disputes the Court’s construction of a number of claim terms, including (but not limited to) “controller”, “3-D,” “movable on two axes,” “movable on two mutually perpendicular axes,” “detectable by the user,” “navigating a viewpoint,” “operable” and “tactile feedback means for providing vibration.”¹⁴ The reasons for Nintendo’s disagreement with respect to the Court’s claim constructions has been set forth in the record of this case, including Nintendo’s Invalidity contentions, *Markman* briefing and associated filings, oral argument on claim construction, summary judgment briefing, argument at trial and proposed jury instructions, all of which are incorporated herein by reference. The jury could not arrive at a correct determination

¹⁴ Nintendo reserves its right to appeal the Court’s claim constructions.

of infringement with respect to the Wii Classic Controller combined with the Wii Remote, GameCube controller, or WaveBird controller because of the erroneous claim construction.¹⁵

2. The Court's Failure to Permit the Jury To Consider and Award Lump Sum Damages Was Error that Requires a New Trial

Nintendo's proposed jury verdict form contained an option for the jury to award lump sum damages rather than a reasonable royalty. Anascape failed to provide any actual evidence of a reasonable royalty, instead relying on expert testimony of a 5% royalty that was based, at least in part, on the unsubstantiated expert report of another expert in another case. (Tr. at 731:4-21; 732:13-733:3 (Bratic Dir.); 811:14-813:2 (Bratic Cr.)) Anascape had the burden of proving a reasonable royalty or other damages, but it failed to meet that burden.

By refusing to allow lump sum damages, the court, in essence, ruled that as a matter of law, a running royalty is the only appropriate measure of damages, even though the Court itself acknowledged that the jury is free to believe or not believe the expert, or to accept some or all of his testimony as true. In addition, the Sony License (PTX 54) provided evidence from which the jury could conclude that a lump sum payment was appropriate, because Anascape accepted a lump sum payment of \$10 million from Sony for another of Anascape's patents. Thus, a hypothetical negotiation between the parties could have resulted in a one time payment to settle all disputes. Furthermore, it is unclear that the jury understood that the amount they awarded would be used to calculate a future running royalty, given that they awarded \$21 million, an amount far greater than what plaintiff's damages expert testified to and thus against the weight of the evidence. Failure to give the jury the option of awarding lump sum damages, when the

¹⁵ Nintendo also reserves its right to argue on appeal that it is entitled to judgment as a matter of law of non-infringement under the correct claim construction. See *Finisar Corp. v. DirecTV Group, Inc.*, 523 F.3d 1323, 1333 (Fed. Cir. 2008) (JMOL of non-infringement appropriate, rather than remand, where no reasonable jury could find infringement under correct claim construction).

evidence supported such an option, was prejudicial to Nintendo and resulted in a damages award completely unsupported by the evidence. Accordingly, a new trial on damages is appropriate.

3. The Erroneous Admission of the Sony License Requires a New Trial

The Court's admission of the license agreement between Sony and Anascape (PTX 54) was in error for at least four reasons. First, the license stated on its face that it was negotiated and entered into as settlement of a dispute between Sony and Anascape and was subject to Federal Rule of Evidence 408. (Nintendo's Motion In Limine To Exclude the Sony License, D.I. 263 (incorporated by reference herein)) Second, the license was irrelevant to the issues at trial because it explicitly stated that Sony paid \$10 million for an exclusive license to a patent that was not at issue in the present lawsuit. (PTX 54 at §§ 2.2, 3.1; Tr. at 353:12-25; 357:14-358:16 (Armstrong Cr.)) Third, although the license agreement included a license to the '700 patent application, the agreement explicitly stated that no monies were being paid for that part of the license. (PTX 54 at §§ 2.1, 3.2; Tr. at 359:12-363:7 (Armstrong Cr.)) Finally, Anascape argued that the license was not probative of damages (Anascape's Opposition to Defendants' Motions In Limine; Preliminary Expert Report of Walt Bratic at ¶ 54) and thus there was no relevance to the agreement to the present case. Admission of the agreement was prejudicial to Nintendo because it allowed Anascape to argue that Sony had acted "responsibly" and entered into a license whereas Nintendo refused to do so (Tr. at 217:22-24; 222:8-15 (Armstrong Dir.)), when in fact Anascape granted a free license to the '700 patent to Sony. (Tr. at 115:22-23 (Plaintiff Opening Statement); Tr. at 1607:1-11 (Plaintiff Closing Argument)).

4. The Jury Instructions on the Written Description Requirement Were Erroneous

The Federal Circuit's case law is clear that the analysis for whether the claims are supported by the written description is whether the specification conveys to one of ordinary skill in the art that the inventor was in possession of the invention at the time the application was filed. The Federal Circuit recently reiterated the written description standard:

“To satisfy the written description requirement the disclosure of the prior application must “convey with reasonable clarity to those skilled in the art that, as of the filing date sought, [the inventor] was in possession of *the invention*.” *Vas-Cath Inc. v. Mahurkar*, 935 F.2d 1555, 1563-64 (Fed. Cir. 1991) (emphasis in original). While a prior application need not contain precisely the same words as are found in the asserted claims, *see Eiselstein v. Frank*, 52 F.3d 1035, 1038 (Fed. Cir. 1995); *Purdue Pharma LP v. Faulding Inc.*, 230 F.3d 1320, 1323 (Fed. Cir. 2000) (holding that the disclosure does not have to provide *in haec verba* support in order to satisfy the written description requirement), the prior application must indicate to a person skilled in the art that the inventor was “in possession” of the invention as later claimed. *Ralston*, 772 F.2d at 1575; *see also* Janice M. Mueller, *Patent Misuse Through the Capture of Industry Standards*, 17 Berkeley Tech. L.J. 623, 638 (2002) (“The [written description] requirement operates as a timing mechanism to ensure fair play in the presentation of claims after the original filing date and to guard against manipulation of that process by the patent applicant.”).

PowerOasis, Inc. v. T-Mobile USA, Inc., 522 F.3d 1299, 1306 (Fed. Cir. 2008)

This Court, over Nintendo's objection, gave jury instructions on the written description requirement that failed to convey the full meaning of the written description requirement.

Nintendo requested two instructions on the issue, one for the 1996 application and one for the 2000 application. With respect to the 1996 application, Nintendo requested an instruction that:

“Rather, the 1996 application itself must describe the invention in the claim and do so in sufficient detail that one skilled in the art can clearly conclude that the inventor invented and possessed the full scope of the claimed inventions recited in the asserted claims as of July 5th, 1996.” (Tr. at 1546:9-17) The Court instead instructed the jury, “The July 5th, 1996 application must disclose the invention of the new claim with all of its limitations.” (Tr. at 1569:20-23)

Nintendo similarly requested an instruction that “This written description requirement for a particular claim is satisfied if the November 16th, 2000 patent application demonstrates to a

person of ordinary skill in the art at the time the 2000 application was filed that Mr. Armstrong invented and possessed the full scope of the inventions recited in the asserted claims of the ‘700 patent.” (Tr. at 1547:14-25) which the court denied, instead instructing the jury in a manner similar to the instruction on the 1996 application. (Tr. at 1570:5-9)

Nintendo also requested an instruction that “individually describing each element of the asserted claims in a patent application is not sufficient to satisfy the written description requirement. It is necessary for the application to support the full scope of the claimed embodiments as a whole.” (Tr. at 1548:7-16) The court denied the instruction (Tr. at 1548:17).

Simply stating that the application must disclose the invention fails to convey to the jury the full breadth of the requirement of 35 U.S.C. § 112, ¶1. Thus, the jury was not properly guided in its deliberations regarding the validity of the asserted claims and, for this reason, a new trial is appropriate.

VI. CONCLUSION

Nintendo requests this Court enter judgment as a matter of law that Nintendo’s accused products do not infringe any asserted claim of the ‘700 patent, that the ‘700 patent is entitled to a priority date no earlier than its 2000 filing date, that the ‘700 patent is invalid in view of the prior art, that the ‘700 patent is valid under the written description requirement of 35 U.S.C. § 112, ¶1, and that Anascape failed to prove any damages. In the alternative, Nintendo requests a new trial on validity of the ‘700 patent, infringement of the asserted claims by the Wii Classic Controller when combined with the Wii Remote, the GameCube controller, and the WaveBird controller, and on damages.

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Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that all counsel of record were served with Defendant Nintendo of America's Renewed Motion for Judgment as a Matter of Law, or in the Alternative, a New Trial via the Court's CM/ECF system per Local Rule CV-5(a)(3) on this 2nd day of July, 2008.

/s/ Lawrence L. Germer _____

Lawrence L. Germer