EXHIBIT 2

DECLARATION OF J. CHRISTOPHER CARRAWAY IN SUPPORT OF DEFENDANT MICROSOFT'S MOTION TO STAY PROCEEDINGS PENDING COMPLETION OF THE REEXAMINATION OF THE PATENTS-IN-SUIT

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

ANASCAPE, LTD.,
Plaintiff,

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Hon. Ronald Clark

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§ §

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

MICROSOFT CORP. and
NINTENDO OF AMERICA INC.,

\$ JURY TRIAL DEMANDED

Defendants.

RULE 26(F) JOINT CONFERENCE REPORT

Pursuant to the Court's Order of October 5, 2006 and Rules 16 and 26 of the Federal Rules of Civil Procedure, Plaintiff Anascape, Ltd. and Defendants Microsoft Corporation and Nintendo of America Inc. present the following Rule 26(f) Joint Conference Report.

1. Proposed Deadlines

Except where noted, the parties have agreed upon the following proposed schedule in accordance with Appendix C to the Court's Order of October 5, 2006. The parties note that they may request an extension of the dates that follow the September 19, 2007 claim construction hearing if a claim construction ruling has not yet been issued as those dates approach. The parties have proposed amending the Court's proposed deadlines of its October 5, 2006 *Appendix C to Order Governing Proceedings*, as set forth herein. None of these proposals change the *Markman* hearing or trial dates.

8. Other Pre-Trial Matters

a. Reexamination and Stay of the Litigation

Microsoft intends to file with the United States Patent and Trademark Office requests for reexamination of each of the patents asserted by Anascape against Microsoft. As a consequence, Microsoft also intends to file a motion to stay this litigation in its entirety pending reexamination proceedings. Anascape will oppose any motion to stay the litigation.

b. **Grouping of the Patents**

As more fully explained in Nintendo's Response to Anascape's Proposed Grouping of Patents, Nintendo submits that the parties and the Court will be in a better position to assess logical groupings of the patents-in-suit in a manner that will best serve the administrative ease objective of the Court's August 16, 2006 Order after Anascape serves its Disclosure of Asserted Claims and Preliminary Infringement Contentions pursuant to P-R 3.1, which, as reflected above, is due on or before December 26, 2006.

To completely address the issue at the December 13, 2006 scheduling conference, the parties have agreed that Anascape will provide Nintendo and Microsoft with certain information regarding Anascape's infringement contentions, including an identification of the accused products, the infringed patents, and the asserted claims by December 1, 2006.

Accordingly, Nintendo and Microsoft respectfully request that the Court permit them to the file further responses on the appropriate grouping of patents on or before December 8, 2007.

c. <u>Severance/Separate Trials</u>

In view of the fact that eleven Anascape patents are asserted against Microsoft products while five Anascape patents are asserted against different Nintendo products, Microsoft and Nintendo intend to ask the Court to sever the cases. In making this request, Microsoft and