

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

MICROUNITY SYSTEMS ENGINEERING,
INC.,

Plaintiff,

v.

APPLE, INC.; AT&T INC.; AT&T MOBILITY
LLC; CELLCO PARTNERSHIP; EXEDEA, INC.;
GOOGLE INC.; HTC CORPORATION; HTC
AMERICA, INC.; LG ELECTRONICS, INC.;
LG ELECTRONICS MOBILECOMM U.S.A.,
INC.; MOTOROLA MOBILITY, INC.; NOKIA
CORPORATION; NOKIA INC.; PALM, INC.;
QUALCOMM INC.; SAMSUNG ELECTRONICS
CO., LTD.; SAMSUNG SEMICONDUCTOR
INC.; SAMSUNG TELECOMMUNICATIONS
AMERICA, LLC; SPRINT SPECTRUM LP;
and TEXAS INSTRUMENTS INC.,

Defendants.

Case No. 02:10-cv-91-DF
Consolidated with Case No. 02:10-
cv-185-DF

JURY TRIAL DEMANDED

**PLAINTIFF’S EMERGENCY MOTION TO COMPEL DEFENDANTS TO NARROW
THEIR INVALIDITY CONTENTIONS**

Pursuant to the Court’s Docket Control Order (Dkt. 237), Plaintiff MicroUnity moves the Court for an order compelling Defendants to narrow the number of prior art references they are asserting in their Invalidity Contentions to no more than 15 references total per claim.¹ The

¹ In the meet and confer process, Defendants complained that a preset limit on the number of references per claim was unfair and arbitrary, in that if MicroUnity asserted both an independent claim and a claim dependent on that independent claim, then Defendants should be able to assert against the dependent claim more art than they are allowed to assert against the independent claim. Although MicroUnity disagrees that this is a legitimate reason to oppose a preset limit on the number of references asserted against a claim, in the interest of preemptively resolving this issue, MicroUnity's 15-reference-per-claim proposal contains an exception where MicroUnity has asserted both an independent claim and a claim that depends on that independent claim, in which case Defendants should be limited to 18 references as to that particular dependent claim. For ease of reading, MicroUnity's discussion below of the 15-reference limit should be read to include this 18-reference exception.

Court's Docket Control Order ("DCO") requires Defendants to "narrow the number of asserted prior art references" by February 24, 2012 after completing a meet and confer process on the scope of that reduction by February 3. *Id.* at 5. Absent agreement on the scope of reduction, the DCO authorizes MicroUnity to file this motion for emergency relief. *Id.* In the meet and confer process, Defendants' best offer was to reduce by 10% their asserted art. Given the narrowing of its own claims that MicroUnity was required to undertake, and considering the vast amounts of art that would remain after Defendants' proposed reduction, their 10% offer was grossly inadequate. Via this motion, MicroUnity thereby seeks a far more appropriate—yet still very generous—limit of 15 prior art references per asserted claim asserted.

The Docket Control Order—agreed to by the Defendants and entered by Judge Ward—provides that MicroUnity may file this motion on an emergency basis and that briefing shall be expedited. Defendants, however, no longer honor their agreement and oppose the DCO's authorization of emergency/expedited briefing. Accordingly, MicroUnity has been forced to file concurrently with this motion a separate motion for expedited briefing.

I. BACKGROUND

MicroUnity filed three lawsuits against Defendants between March 16, 2010 and January 27, 2011, two of which have been consolidated into this action. Dkt. 241 (amended consolidated complaint). On March 23, 2011, the parties submitted a Joint Motion for Entry of Docket Control and Discovery Orders. Dkt. 224 (emphasis added). Via that motion, all parties agreed to the dates and deadlines in the proposed DCO. *Id.* On May 3, 2011, this Court entered the DCO requested by the parties. Dkt. 237.

MicroUnity originally charted 391 claims against the Defendants. The DCO, however, required MicroUnity to limit its asserted claims to 90 by January 6, 2012. MicroUnity timely

complied with that Order, and so narrowed its infringement case from 391 claims down to 90—a 77% reduction. Dkt. 374.

In the negotiation of the DCO, MicroUnity insisted that to reduce its claims unilaterally at this stage of the case—without a corresponding reduction in Defendants’ art—would be unfair, insofar as it would require MicroUnity to narrow its case before *Markman* but would allow Defendants to continue to obfuscate their true invalidity position through sheer volume. Accordingly, MicroUnity secured from Defendants an agreement to narrow their asserted art by February 24, 2012, which is memorialized in the DCO. Dkt. 237 at 5.

Defendants, however, resisted agreeing to a preset limit on their references, particularly because at the time of the DCO negotiations in March 2011 they had not yet served their Invalidity Contentions (due September 2011). *Id.* at 5 n.5 (“It is Defendants’ position that it is premature to quantify the reduction of prior art references until the invalidity contentions have been served and Defendants have had an opportunity to review Plaintiff’s reduction of asserted claims.”). MicroUnity, by contrast, pushed for a set limit on Defendants’ art. *Id.* (“It is Plaintiff’s position that a set limit on the number of prior art references should be agreed to by Defendants, or absent agreement set by the Court, by February 24, 2012.”).

The DCO resolved this dispute between the parties by deferring it to a meet and confer process/motions practice in February 2012. Pursuant to the DCO, by February 3, 2012, the parties were to “complete [a] meet and confer process over narrowing of Defendants’ asserted prior art references.” *Id.* at 5. As the DCO further provided, “[w]ithout agreement, Plaintiff may move for emergency relief after the conclusion of the meet and confer process, and the parties will conduct expedited briefing on this issue.” *Id.* The idea behind the emergency motion/expedited briefing is made clear by the rest of the DCO. Defendants must limit their

references by February 24, 2012, so the hope was that the required scope of that reduction would be resolved on an expedited basis between February 3 and February 24. Moreover, the parties must pick claim terms for construction in February and must provide proposed definitions in March, *id.*, so a narrowing of Defendants' art would assist in that process.

The parties held two meet and confer teleconferences on this issue on January 30 and February 3. Defendants began the meet and confer process by informing MicroUnity that they did not intend to narrow the prior art asserted against MicroUnity's 90 selected claims at all. Instead, Defendants simply offered to "reduce" their art down to the art they originally asserted against MicroUnity's 90 claims (*i.e.*, they would "drop" the references asserted against claims MicroUnity had dropped). MicroUnity disputed that this offer effected any real reduction, insofar as Defendants already had no right to assert any art against MicroUnity's 90 claims except for the art the Defendants had charted against those claims. As a compromise, Defendants later offered to respond to MicroUnity's 77% reduction in its asserted claims with a 10% reduction in their remaining asserted art. MicroUnity expressed to Defendants that such a reduction was not meaningful and that it would therefore be forced to file the present motion.

MicroUnity also explained before the meet and confer process began that Defendants' existing invalidity contentions failed to comply with PR 3-3 in numerous respects and that Defendants were required to at least narrow their contentions to those that complied with PR 3-3. Wilson Dec. at Ex. 1 (email from Wilson identifying deficiencies).² Defendants repeatedly stated that they were unwilling to discuss their failure to satisfy the requirements of PR 3-3 as part of the narrowing of prior art references but have offered to discuss the issue in a separate context.

² All exhibits to this motion are exhibits to the Wilson Declaration and will hereinafter be referred to by their exhibit number with respect to the Wilson Declaration.

MicroUnity plans to continue this discussion and reserves the right to raise a motion to compel and/or strike should Defendants fail to agree to narrow their contentions to comply with PR 3-3.

II. ARGUMENT

A. The Defendants' Current Invalidity Charts Are Excessive and Unhelpful

On October 17, 2011, Defendants served their invalidity contentions. Exs. 2, 3 (excerpts of Defs.' Joint Invalidity Contentions). Defendants' invalidity contentions extend over 3,000 pages, asserting a total of 342 alleged prior art references by MicroUnity's count, not including Defendants' purported incorporation by reference of the invalidity contentions served in two prior litigations. Exhibit B to Defendants' invalidity contentions is exemplary. Ex. 3. Exhibit B purports to be a chart identifying the alleged prior art advanced against the oldest patent-in-suit, U.S. Patent No. 5,742,840 ("840 Patent"), from which MicroUnity asserts two claims. Exhibit B initially lists 67 references that are specifically asserted against the '840 Patent's two claims but then goes on to incorporate by reference Defendants' Base Reference Appendix containing 143 references, Defendants' Group Arithmetic Operations Appendix containing 160 references, Defendants' Group Data Handling Operations Appendix containing 122 references, and Defendants' Scalar to SIMD Appendix containing 29 references. The appendices provide no explanation as to how those references relate to the assertions made in Exhibit B or to the claims of the '840 Patent. Ex. 3 at 1-10.

With respect to charting where specifically in each alleged item of prior art each limitation of each asserted claim is purportedly found, Exhibit B is again exemplary. Although Defendants cite some specific passages of some references as corresponding to specific limitations of the two asserted claims, Defendants also state that "[c]itations to specific text in the prior art references are exemplary and not exhaustive, and are intended to fairly disclose Defendants' invalidity contentions." Ex. 2 at 5; *see also id.* at 24 ("Exhibits B through V provide

citations identifying the disclosure of each claim limitation in the prior art references. These citations are exemplary, not exhaustive, and are intended to fairly disclose Defendants' invalidity contentions."). Defendants go further and "reserve the right to rely on the entirety of each identified prior art reference, and other documents, publications, and testimony to provide context, aid understanding of the cited portions of the references or establish bases for combinations of certain cited references that render the Asserted Claims obvious." *Id.* at 4.

Exhibit B also provides insight into Defendants' approach to identifying each combination of items of alleged prior art that makes a claim obvious and the motivation to combine such items. Exhibit B offers no meaningful disclosure of obviousness combinations or motivation to combine any such combination. Defendants raise an undefined number of potential obviousness combinations, numbering at least in the thousands. Ex. 3 at 183-88. Some excerpts are illustrative:

Claims 1 and 11 are rendered obvious by:

- Any one of the references identified in the *Base References Appendix* Sections A, C, H, K, L, M, N, and O in combination with the knowledge of one skilled in the art.
- Any one of the references identified in *Group Data Handling Appendix* in combination with the knowledge of one skilled in the art.
- Any one of the references identified in *Group Arithmetic Operations Appendix* in combination with the knowledge of one skilled in the art.
- Any one of the references identified in *Scalar to SIMD Appendix* in combination with the knowledge of one skilled in the art.

In addition, Claims 1 and 11 are rendered obvious by the specific combinations of prior art listed below or by the specific combinations listed below when further considered in combination with the knowledge of one skilled in the art:

- Any one of Lee I, PA-RISC 2.0 TRM, Case, Lee II, Gwennap I, Knebel, Undy, Lee III, HP TRM 712, and the '135 Patent

(collectively, the “HP References”) in combination with one or more of other HP Prior Art.

In addition, Claims 1 and 11 are rendered obvious by any of the references or combinations above further in combination with one or more references cited in the *Scalar to SIMD Appendix*, *Group Data Handling Appendix*, and/or *Group Arithmetic Operations Appendix*.

Id.

B. The Court Should Require Defendants to Limit Their Invalidity Contentions to No More than 15 Alleged Prior Art References Per Claim

MicroUnity requests that the Defendants be limited to a total of 15 alleged prior art references for each asserted claim for both anticipation and for obviousness. In other words, Defendants should not be permitted to assert more than 15 references against any single claim asserted by MicroUnity.³ The reduction in prior art references MicroUnity seeks from Defendants is reasonable given the issues in this litigation and the stage of the case. *See Wi-LAN, Inc. v. Acer, Inc.*, 2:07-cv-00473-TJW, Dkt. 596, at 4 (E.D. Tex. July 29, 2010) (limiting Defendants to 12 “anticipation or obviousness charts total” for all claims asserted by Plaintiff from two patents, and 20 “anticipation or obviousness charts total” for all claims asserted by Plaintiff from two different patents); *Realtime Data, LLC v. Packeteer, Inc.*, 2009 WL 4782062, *4 (E.D. Tex. Dec. 8, 2009) (limiting Defendant to no more than five obviousness combinations); *Rambus Inc. v. Hynix Semiconductor Inc.*, 2008 WL 4104116, *6 (N.D. Cal. Aug. 27, 2008) (“It is hard for the court to imagine a legitimate basis for asserting more than two allegedly anticipating references and two or three obviousness combinations per claim.”).

³ To be clear, MicroUnity’s request means 15 individual documents and items that Defendants allege each constitute prior art. Defendants attempt to combine prior art references for purposes of anticipation. *See, e.g.*, Ex. 2 at 9 (“Each of these patents, publications, and product literature publications [describing the Motorola 88110 processor] in combination describe a unitary prior art system.”). Such combinations are improper, and MicroUnity’s proposed limit of 15 references is not intended to include such combinations.

The reduction in prior art references MicroUnity seeks from Defendants is also commensurate in scope with MicroUnity's narrowing of its claims. The true measure of Defendants' current invalidity contentions are those that have been properly disclosed in compliance with PR 3-3 and that reasonably could be asserted at trial based upon that disclosure. *See Cummins-Allison Corp. v. SBM Co.*, 2009 WL 763926, at *4 (E.D. Tex. Mar. 19, 2009) ("Defendants are required to submit Invalidity Charts to provide notice of how each claim element is met. Failure to provide the specific reference that allegedly reads on a claim limitation of the '806 Patent does not place Plaintiff on sufficient notice."); *Saffran v. Johnson & Johnson*, No. 2:07-cv-0451, slip op. at 1-2 (E.D. Tex. Feb. 24, 2009) (striking invalidity contentions in their entirety because "[t]he defendants' almost 800 pages of 'Invalidity Contentions' do not put the plaintiffs on real or useful notice"). Although Defendants' invalidity contentions assert at least 342 references, not including those incorporated by reference from invalidity contentions in prior cases, Defendants' invalidity contentions properly disclose a far smaller number of alleged prior art references.

For example, as to the '840 Patent, Defendants specifically identified 70 references that are asserted against the '840's two asserted claims, although they then incorporate by reference (1) Exhibit A (listing 342 references) and (2) four separate appendices containing hundreds of references with only cursory statements as to the significance of these enormous appendices. *See, e.g.*, Ex. 3 at 1; *id.* at 74-75 (referencing the Base Reference Appendix and Group Arithmetic Appendix for numerous limitations that do not appear in the charted claim).⁴

⁴ These "incorporated" references were not properly charted and thus should not be counted as properly asserted against MicroUnity's claims. *See Cummins-Allison Corp. v. SBM Co.*, 2009 WL 763926, at *4 (E.D. Tex. Mar. 19, 2009) ("Defendants are required to submit Invalidity Charts to provide notice of how each claim element is met. Failure to provide the specific reference that allegedly reads on a claim limitation of the '806 Patent does not place

However, Defendants only mention 62 references in their chart that purports to identify where a limitation of the '840 claims may be found in the asserted prior art, and Defendants only identify 38 references that even allegedly disclose all of the limitations of claim 1 of the '840 Patent. A limitation to 15 specifically identified references would thus only reduce Defendants' total charted references by 76% and would only reduce Defendants' asserted anticipation references by 60%. Both of these figures are commensurate with MicroUnity's 77% reduction in asserted claims.

Similarly, Defendants mention about 152 references in their chart for '061 claim 14, but only 13 of those are alleged to be anticipatory. Thus, a reduction to 15 references would theoretically not require Defendants to drop any of their alleged anticipation references against '061 claim 14 since they have only charted 13.

C. Defendants' Arguments in Favor of Their Proposed 10% Reduction Are Unpersuasive

In response to MicroUnity's demand to reduce their art, Defendants represented at the final meet and confer that they could offer to "attempt" to reduce the art they have asserted against MicroUnity's 90 claims by about 10%. The two arguments Defendants advance in favor of this paltry reduction are unpersuasive.

Defendants first argue that, even though the DCO requires them to reduce their asserted art by February 24, 2012, their offer to drop the art asserted against MicroUnity's dropped claims satisfies by itself this requirement. But this was no magnanimous offer. If the dropped art was not cited against MicroUnity's 90 claims in Defendants' invalidity charts, then Defendants already

Plaintiff on sufficient notice."); *Saffran v. Johnson & Johnson*, No. 2:07-cv-0451, slip op. at 1-2 (E.D. Tex. Feb. 24, 2009) (striking invalidity contentions in their entirety because "[t]he defendants' almost 800 pages of 'Invalidity Contentions' do not put the plaintiffs on real or useful notice").

have no right to assert it against those claims now—whether they formally “drop” it or not. It is silly to suggest that the pre-*Markman* process of narrowing the Plaintiffs’ issues and the Defendants’ issues ordered by Judge Ward in the DCO could be satisfied merely by Defendants’ removal of art cited against claims that are no longer part of Plaintiffs’ case. If that were so, there would hardly have been any reason to include a deadline for Defendants to limit their asserted art.

Second, Defendants have argued that they are relieved of any obligations under the DCO to reduce their art asserted against MicroUnity’s 90 claims because, even if MicroUnity complied with the letter of the DCO in so reducing its claims, that reduction did not meaningfully narrow the scope of MicroUnity’s infringement contentions. In other words, despite MicroUnity’s having dropped three patents completely and over 300 of its 391 asserted claims, Defendants contend that MicroUnity’s remaining claims are simply mixtures of the same previously-asserted limitations and thus that the scope of the case has not been narrowed at all. They contend that MicroUnity must further reduce the number of asserted claims before they can meaningfully reduce the asserted prior art.

This argument, however, miscasts the intent and meaning of the DCO, which is to narrow the issues for trial, and weed out extraneous matter, both for the plaintiff and the defendants. The DCO required MicroUnity to select a subset of its claims for further discovery, claim construction, and presentation at trial. That is what MicroUnity has done, dropping 3 patents and over 300 asserted claims in the process. The DCO further requires Defendants to select a subset of their asserted prior art for further discovery, claim construction, and presentation at trial. Defendants are now refusing to comply in violation of the DCO. What MicroUnity is proposing herein for Defendants is consistent with the reduction in the number of its asserted claims.

III. CONCLUSION

For the foregoing reasons, MicroUnity respectfully requests that the Court order Defendants to narrow their asserted prior art references to 15 per claim. A proposed order is attached.

DATED: February 6, 2012

Respectfully Submitted,

/s/ Stephen D. Susman (by permission D. Wilson)

Stephen D. Susman, Attorney-in-Charge

State Bar No. 1952100

ssusman@susmangodfrey.com

Max L. Tribble, Jr.

State Bar No. 20213950

mtribble@susmangodfrey.com

Joseph S. Grinstein

State Bar No. 24002188

jgrinstein@susmangodfrey.com

SUSMAN GODFREY L.L.P.

1000 Louisiana Street, Suite 5100

Houston, Texas 77002

Telephone: (713) 651-9366

Facsimile: (713) 654-6666

Sidney Calvin Capshaw

State Bar No. 03783900

ccapshaw@capshawlaw.com

CAPSHAW DERIEUX, L.L.P.

1127 Judson Rd - Ste 220

PO Box 3999

Longview, TX 75601-5157

(903) 236-9800

Fax: (903) 236-8787

Otis W. Carroll

State Bar No.00794219

nancy@icklawn.com

IRELAND, CARROLL & KELLEY, P.C.

6101 South Broadway, Suite 500

Tyler, TX 75703

Telephone: (903) 561-1600

Facsimile: (903) 581-1071

Michael F. Heim
State Bar No. 09380923
mheim@hpcllp.com
HEIM, PAYNE & CHORUSH, L.L.P.
600 Travis, Suite 6710
Houston, Texas 77002
Telephone: (713) 221-2000
Facsimile: (713) 221-2021

Douglas R. Wilson
State Bar No. 24037719
dwilson@hpcllp.com
HEIM, PAYNE & CHORUSH, L.L.P.
9442 Capital of Texas Hwy.
Plaza I, Suite 500-146
Austin, Texas 78759
Telephone: (512) 343-3622
Facsimile: (512) 345-2924

George M. Schwab
State Bar No. 58250 (CA)
gschwab@gmspatent.com
LAW OFFICES OF GEORGE M. SCHWAB
235 Montgomery St., Suite 1026
San Francisco, CA 94104
Telephone: (415) 889-5210

Attorneys for MICROUNITY SYSTEMS
ENGINEERING, INC.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing document was filed on this 6th day of February, 2012 using the Court's CM/ECF system. Under LR CV-5(a)(3), such electronic filing constitutes service of the document on all counsel who are deemed to have consented to electronic service. Any other counsel will be served by electronic mail pursuant to LR CV-5(d).

/s/ Douglas Wilson
Douglas Wilson

CERTIFICATE OF CONFERENCE

The undersigned hereby certifies that counsel for MicroUnity Systems Engineering, Inc. has met and conferred with counsel for Defendants on Monday, January 30, 2012 and Friday, February 3, 2012 in an effort to reach agreement on the scope of narrowing of Defendants' asserted prior art references. Counsel for MicroUnity have complied with the meet and confer requirement specified by LR CV-7(h). The two teleconferences involved Joseph Grinstein, Michael Heim, and Douglas Wilson for MicroUnity as well as numerous counsel for Defendants. As explained in the motion, the parties were unable to reach agreement on the scope of narrowing of Defendants' asserted prior art references, resulting in an impasse and an open issue for the Court to resolve.

/s/ Douglas Wilson
Douglas Wilson