

1 QUINN EMANUEL URQUHART & SULLIVAN, LLP  
 2 Frederick A. Lorig (Bar No. 057645)  
 3 fredlorig@quinnemanuel.com  
 4 Christopher A. Mathews (Bar No. 144021)  
 5 chrismathews@quinnemanuel.com  
 6 Diane C. Hutnyan (Bar No. 190081)  
 7 dianehutnyan@quinnemanuel.com  
 8 Bruce R. Zisser (Bar No. 180607)  
 9 brucezisser@quinnemanuel.com  
 10 Sidford L. Brown (Bar No. 107196)  
 11 sidfordbrown@quinnemanuel.com  
 12 865 South Figueroa Street, 10th Floor  
 13 Los Angeles, California 90017-2543  
 14 Tel.: (213) 443-3000  
 15 Fax: (213) 443-3100

16 Attorneys for Plaintiff  
 17 MULTIMEDIA PATENT TRUST

18 UNITED STATES DISTRICT COURT  
 19 SOUTHERN DISTRICT OF CALIFORNIA

20 MULTIMEDIA PATENT TRUST, a Delaware  
 21 statutory trust,

22 Plaintiff,

23 v.

24 APPLE INC., a California corporation,  
 25 CANON, INC., a Japanese corporation,  
 26 CANON U.S.A., INC., a New York corporation,  
 27 LG ELECTRONICS, INC., a Korean  
 28 corporation, LG ELECTRONICS U.S.A., INC.,  
 a Delaware corporation, LG ELECTRONICS  
 MOBILECOMM U.S.A., INC., a California  
 corporation,

Defendants.

CASE NO. 10-cv-2618-H-KSC

**REPLY IN SUPPORT OF PLAINTIFF  
 MULTIMEDIA PATENT TRUST'S  
 MOTION FOR PARTIAL SUMMARY  
 JUDGMENT OF NO INEQUITABLE  
 CONDUCT OR, IN THE  
 ALTERNATIVE, JUDGMENT ON THE  
 PLEADINGS**

Judge: Hon. Marilyn L. Huff  
 Courtroom: 13, 5th Floor  
 Hearing Date: August 13, 2012  
 Hearing Time: 10:30 a.m.

**New Hearing Date: August 17, 2012  
 New Hearing Time: 9:00 a.m.**

1 **Preliminary Statement**

2 Defendants ask this court to disregard the binding *en banc* precedent of the Federal Circuit  
3 in *Therasense, Inc. v. Becton, Dickinson & Co.*, 649 F.3d 1276 (2011). Defendants had no good  
4 cause to assert inequitable conduct in this case and with trial only four months away, this baseless  
5 and disfavored defense should be stricken. It is defendants' burden to prove this defense, not  
6 plaintiff's burden to disprove it. No prior defendant has been able to prove inequitable conduct nor  
7 can the current defendants.

8 **Argument**

9 **I. JUDGMENT ON THE PLEADINGS IS APPROPRIATE**

10 Defendants' argument that *Therasense's* holding that a purportedly withheld prior art  
11 reference must have been "but-for" material rather than merely material within the meaning of the  
12 PTO's Rule 56 has no effect on pleading requirements is peculiar. Infringers must, since  
13 *Therasense*, plead that a withheld reference was but-for material to survive a motion to dismiss.  
14 Indeed, even one of the cases defendants rely on for the contrary position makes this very same  
15 point in the paragraph following the portion defendants quote. *See Sloan Valve Co. v. Zurn Indus.*,  
16 No. 10-cv-204, 2012 WL 1108129, \*5 (N.D. Ill. Apr. 1, 2012) (cited by defendants at 7:27-8:1)  
17 ("*Therasense*, however, made clear that district courts may no longer assess allegations of  
18 materiality by the 'reasonable examiner' or PTO Rule 56 standards. Instead, 'in assessing the  
19 materiality of a withheld reference,' the court must determine whether there are sufficient  
20 allegations from which a court may reasonably infer that 'the PTO would not have allowed the  
21 claim if it had been aware of the undisclosed prior art.'") (citing cases requiring allegations of but-  
22 for materiality at the pleading stage).

23 Contrary to the assertions made in defendants' Opposition, MPT did not argue that the  
24 pleadings must somehow satisfy *Therasense's* "clear and convincing" standard; MPT is properly  
25 arguing that defendants' pleadings do not allege "but-for" materiality, and so could not possibly  
26 raise a defense sufficient to satisfy *Therasense* even if every allegation in defendants' pleadings  
27 were proven to be true. Thus, that these allegations passed muster under *Exergen* in *Walt Disney*

1 before *Therasense* issued is irrelevant. MPT's argument is that the *elements*—not the pleading  
 2 standard—of inequitable conduct have changed. Because defendants made no effort to replead  
 3 their allegations to allege the requisite "but-for" materiality (either after *Therasense* issued or in  
 4 response to this motion) judgment on the pleadings is appropriate.<sup>1</sup>

5 **II. ALTERNATIVELY, MPT'S MOTION FOR PARTIAL SUMMARY JUDGMENT**  
 6 **IS NOT PREMATURE**

7 Nevertheless, if the Court disagrees with plaintiff, plaintiff has shown below that it is  
 8 entitled to summary judgment since defendants' Opposition failed to prove that if the Examiner  
 9 had seen one or more of the allegedly withheld prior art references, one or more of the claims of  
 10 the asserted patents would not have issued. Defendants have not shown that any discovery from  
 11 plaintiff would have helped them prove that the Examiner would not have issued a patent claim,  
 12 had the Examiner but known of the reference. Indeed, defendants have not shown how any  
 13 information from plaintiff would have helped them meet the exacting burden of *but-for* materiality  
 14 created by the *en banc Therasense* court.

15 Rather than make any attempt to defend their inequitable conduct allegations on the merits,  
 16 defendants—like the Fox Defendants in the *Walt Disney* case before them—focus their efforts on  
 17 seeking to delay the inevitable adverse adjudication of their defense. Defendants' arguments are  
 18 both erroneous and procedurally deficient.

19 **A. Defendants Have Had Ample Opportunity to Discover Evidence Supporting**  
 20 **Their Inequitable Conduct Allegations, If There Were Any**

21 There is simply no merit to defendants' argument that they have had no opportunity to  
 22 conduct discovery in this case and that the timing of plaintiff's motion therefore precludes  
 23

---

24 <sup>1</sup> Defendants argue in a footnote that they *have* pled the "but-for" materiality of unspecified  
 25 prior art references because "the '226 patent was rejected as unpatentable in reexamination" over  
 26 that art. (Br. at 8 n.1.) There is no merit to this contention either. As explained in MPT's opening  
 27 brief, that rejection was *non-final* and the '226 patent ultimately exited reexamination with all of  
 28 its claims intact, thus negating any possibility that the art was "but-for" material. (Opening Br.,  
 filed July 16, 2012 (Docket No. 220-1 at 10:4-5, 12:2-8).)

1 summary judgment. As this Court has noted, defendants should have sought relief from the  
 2 "limited" discovery period if they were concerned that their ability to present their defenses would  
 3 be prejudiced, rather than assume discovery would be extended indefinitely:

4 Mr. Barnes: . . . [T]he issue I have here is, MPT has had close to a  
 5 year to do all this third party discovery. If this [trial  
 6 schedule] ends up getting entered, if our counsel is  
 7 available on November 27th, that would basically  
 8 give [defendants] less than six months to do all of  
 9 their discovery in terms of all the document  
 10 production, all their depositions, all of our third-party  
 11 discovery as it relates to invalidity, all of our  
 12 depositions.

13 And I just worry that what's going to happen here is  
 14 . . . that we are going to be prejudiced in that we will  
 15 be under the gun, and we will not be able to defend  
 16 ourselves. . .

17 The Court: But nobody—nobody ever came to me and said  
 18 that—and I'm not a particular fan of this targeted  
 19 limited discovery sitting around for two years and  
 20 then say, oh, well, now we have it. So on the fairness  
 21 thing, I think that this is what our Local Rules  
 22 contemplate. So you don't typically get to your  
 23 invalidity, as you say, until you know what are the  
 24 accused devices. So if you go back to the framework  
 25 of our Local Rules, this schedule is really within the  
 26 framework of the Local Rules.

27 And so I don't think it puts you at any disadvantage  
 28 or unfairness in this because you're going to—it  
 flows from the claim construction. . . . We're talking  
 about four discrete patents. Fish & Richardson  
 litigated this before at least two times. . . .<sup>2</sup>

Moreover, defendants have *not* been prejudiced by a lack of discovery. As defendants  
 concede, Apple's and LG's counsel—Fish & Richardson—had access to the very discovery from  
 prior cases that defendants complain MPT has not yet produced in this action. (*See, e.g.*, Br. at  
 6:24-26 (arguing that only *Canon* did not have access to prior discovery).) Indeed, Apple and LG  
 merely argue that "[a]wareness of every piece of evidence cannot be imputed to Apple and LG

---

<sup>2</sup> Reply Declaration of Bruce Zisser, filed concurrently herewith ("Reply Zisser Decl.") at Ex. I (Excerpts of May 30, 2012 Scheduling Conf.) at 36:4-38:8.

1 merely because the same firm represented other parties in this litigation." (Br. at 7:1-2.) This  
2 argument is absurd: Since Apple's and LG's counsel *has* (and *knows* it has) the prior discovery it  
3 claims it needs, how can the responsibility of reviewing it for evidence supporting their claims lie  
4 anywhere else? Realistically, counsel for Apple and LG has most likely reviewed that discovery  
5 and found it lacks any support for defendants' inequitable conduct allegations or assumed as much  
6 from the failure of these exact same allegations in the *Walt Disney* case.

7 Similarly, Canon's claim that it has had "no access whatsoever to documents from prior  
8 cases" (Br. at 6:24-26) also rings hollow since defendants are plainly working together:  
9 Defendants filed a joint opposition to this motion and Canon conspicuously does not claim that it  
10 is not privy to a joint defense agreement of some kind with Apple and LG. In any event, even if  
11 Canon had *no* prior access to that discovery, that would not excuse Apple's and LG's failure to  
12 proffer any evidence to oppose MPT's motion. Nor does it explain why, despite *all* defendants  
13 having admittedly had prior deposition transcripts of four relevant inventors for at least ten days  
14 before their opposition was due (Br. at 7:6-12), defendants were unable to cite any evidence from  
15 them in support of their allegations. Such evidence just does not exist.

16 A still more fundamental problem with defendants' argument, however, is that their  
17 opportunity to conduct formal discovery is completely irrelevant in this case, at least with respect  
18 to defendants' ability to adduce any evidence to establish the but-for materiality requirement of  
19 their inequitable conduct defenses and counterclaims. Defendants' inequitable conduct allegations  
20 are all premised on purportedly withheld references; proving the but-for materiality of a reference  
21 is a question of (1) identifying the withheld reference (which defendants did in their pleadings  
22 long ago); and (2) providing evidence that, *had* the patent examiner known of the reference, he or  
23 she would not have allowed one or more of the patent's claims. Such evidence might include, for  
24 example, the sworn testimony of a person having ordinary skill in the art comparing the prior art  
25 reference to the claims, or applying the results of a reexamination proceeding in which the  
26 previously omitted reference *was* before the Patent Office. Defendants have had access to these  
27 kinds of evidence since this suit was first filed: They undoubtedly have a retinue of experts who  
28

1 could offer sworn opinion testimony if any of the references were, in fact, but-for material, and  
 2 prosecution histories are available to the general public.<sup>3</sup> Not only do defendants fail to present  
 3 evidence that any of the references identified in their pleadings are material (much less but-for  
 4 material), it appears defendants have now concluded that several of these references could not, as  
 5 a matter of law, provide the basis for inequitable conduct allegations: Five of the now nine  
 6 allegedly withheld references are not charted in defendants' invalidity charts *at all*.

7 **B. Rule 56(d) Neither Requires Nor Favors a Continuance of MPT's Motion on**  
 8 **These Facts**

9 Rule 56(d) (emphases added) of the Federal Rules of Civil Procedure provides that "*[i]f a*  
 10 *nonmovant shows by affidavit or declaration that, for specified reasons,* it cannot present facts  
 11 essential to justify its opposition, the court may: (1) defer considering the motion or deny it; (2)  
 12 allow time to obtain affidavits or declarations or to take discovery; or (3) issue any other  
 13 appropriate order." Defendants cannot defeat MPT's motion by baldly stating that they need  
 14 further discovery; instead, defendants must show (1) by affidavit, the specific facts they hope to  
 15 elicit from further discovery, (2) that those facts exist, and (3) that evidence of those facts would  
 16 preclude summary judgment. *See, e.g., State of California v. Campbell*, 138 F.3d 772, 779 (9th  
 17 Cir. 1998) (nonmoving party "must show (1) that [he] ha[s] set forth in affidavit form the specific  
 18 facts that he hope[s] to elicit from further discovery, (2) that the facts sought exist, and (3) that  
 19 these sought-after facts are 'essential' to resist the summary judgment motion"); *see also Tatum v.*  
 20 *San Francisco*, 441 F.3d 1090, 1100 (9th Cir. 2006) (opposing party "must identify the specific  
 21 facts that further discovery would reveal and explain why these facts would preclude summary  
 22 judgment"). District courts act well within their discretion by denying Rule 56(d) requests where  
 23 the nonmovant does not make this required showing. *See, e.g., Getz v. Boeing Co.*, 654 F.3d 852,  
 24 868 (9th Cir. 2011) (no abuse of discretion to deny Rule 56(d) request where nonmovant "failed to  
 25

---

26 <sup>3</sup> Indeed, defendants arguably *should* have consulted such resources even before pleading its  
 27 defenses to fulfill its responsibilities under Rule 11.

1 'proffer sufficient facts to show that the evidence sought exist[ed], and that it would [have]  
2 prevent[ed] summary judgment.'" (quoting *Blough v. Holland Realty, Inc.*, 574 F.3d 1084, 1091  
3 n.5 (9th Cir. 2009)).

4 Defendants do not even attempt to argue that they have submitted the type of particularized  
5 affidavit evidence required by Rule 56(d). Instead, they suggest that, even without specific and  
6 supported affidavit testimony, they are entitled to a continuance for additional discovery under  
7 Rule 56(d) because they purportedly have had no opportunity to take discovery. As demonstrated  
8 above, however, defendants hardly fall within this limited category of summary judgment  
9 opponents.<sup>4</sup> Indeed, the authorities defendants cite for this proposition are easily distinguished  
10 from the present circumstances. For example, in *Burlington Northern Santa Fe Railroad Co.*, 323  
11 F.3d 767, 773-74 (9th Cir. 2003), the plaintiff filed its summary judgment motion less than one  
12 month after filing suit and the court believed "documentation or witness testimony may exist that  
13 is dispositive of a pivotal question." In sharp contrast, plaintiff MPT filed this suit nearly two  
14 years ago; defendants asserted their inequitable conduct allegations more than one year ago and  
15 have had access, through counsel, experts and public records to much of the evidence that would  
16 ostensibly support their claims if they were legally sustainable; and there is no reason (particularly  
17 in light of defendants' invalidity contentions where they jettisoned any notion of but-for  
18 materiality for over half of the references listed in their inequitable conduct pleadings) to believe  
19 that additional fact discovery would save defendants' legally insufficient allegations. Similarly, in  
20 *Columbia Machine, Inc. v. Besser Co.*, No. CV11-05268, 2011 WL 3812698, \*12 (W.D. Wash.  
21 Aug. 26, 2011), the trial was scheduled for more than a year away. In a case now moving at

22 \_\_\_\_\_  
23 <sup>4</sup> Defendants complain that the parties have not yet been able to reach an agreement that  
24 "prior depositions related to these patents (inventors, prosecuting attorneys, licensing witnesses,  
25 licensor representatives, etc.) be permitted to be treated as if they had been taken in this case"  
26 under Rule 32. Even without such an agreement, however, if any of those prior depositions  
27 provided even a scintilla of evidence supporting any of defendants' specious inequitable conduct  
28 allegations, rest assured that defendants would have raised this testimony to the Court as an  
example of the kind of testimony defendants could hope to obtain if they ever got around to  
deposing these same witnesses in this case; apparently defendants just could not find any  
testimony to support their defense.



1 breakneck speed toward a trial less than four months away, a continuance to allow defendants to  
2 take unspecified discovery without any showing that it would make a difference to the outcome of  
3 MPT's motion is not warranted, much less required.

4 **Conclusion**

5 For all of the foregoing reasons, MPT respectfully submits that the Court should enter  
6 judgment in favor of MPT and against defendants on their inequitable conduct-based affirmative  
7 defenses and counterclaims.

8 DATED: August 6, 2012

QUINN EMANUEL URQUHART &  
SULLIVAN, LLP

11 By /s/ Bruce R. Zisser

Bruce R. Zisser

Attorneys for Plaintiff

MULTIMEDIA PATENT TRUST

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the above and foregoing document has been served on August 6, 2012 to all counsel of record who are deemed to have consented to electronic service via the Court's CM/ECF system per Civil Local Rule 5.4. Any other counsel of record will be served by electronic mail, facsimile and/or overnight delivery.

Dated: August 6, 2012

/s/ Bruce R. Zisser  
Bruce R. Zisser