IN THE UNITED STATES COURT

FOR THE DISTRICT OF DELAWARE

LEADER TECHNOLOGIES, INC., a Delaware corporation,	))))	**CIVIL ACTION**
Plaintiff and Counterdefendant,	))	**No. 1:08-cv-00862-LPS**
v.	))	
FACEBOOK, INC., a Delaware corporation,	))))	
Defendant and Counterclaimant.	))	

**REPLY MEMORANDUM IN SUPPORT OF FACEBOOK, INC.'S
MOTION FOR SUMMARY JUDGMENT OF INVALIDITY OF
CLAIMS 1, 4, 7, 21, 23, 25, 31 AND 32 OF U.S. PATENT NO. 7,139,761**

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I.   INTRODUCTION

Facebook's motion presents the purely legal question of whether claims 1, 21 and 23 of the '761 patent (hereafter "the system claims")[1] improperly claim both a system and a method step involving its use, rendering them invalid under *IPXL Holdings, L.L.C. v. Amazon.com, Inc.*, 430 F.3d 1377 (Fed. Cir. 2005) ("*IPXL*").   There is no genuine issue of material fact that could preclude summary judgment because the only "fact" material to this motion is the undisputed language of these claims, all of which recite a system and a method step in which the user "accesses" or "employs" the data in a second context or user workspace. Because these claims cover both a system and a method step involving its use, they are impermissible hybrid claims.

II.   ARGUMENT

A.   Leader's "Engine" Analogy Supports the Invalidity of the Claims

Leader's primary argument is that the method step in the system claims is merely "a functional limitation" that describes a "capability" of the claimed system. Leader attempts to supports this argument by comparing the system claims to an imaginary claim directed to "an engine that starts when a user turns a key." D.I. 652 at 2. "It does not matter," Leader claims, "whether a user actually turns the key, infringement is found as long as the engine is designed in such a way that it starts when a key is turned." *Id.* This analogy fails under scrutiny. The asserted system claims plainly and affirmatively recite an act the user performs – not merely how the claimed system would respond "when" that step is performed.   Using Leader's engine example, a hypothetical claim that provides a closer analogy for the system claims would read: "an engine, wherein the user turns a key to start the engine." Such a claim would fail under *IPXL* because it improperly claims both an apparatus (an engine) and the affirmative step in

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[1] Claims 1 and 23 of the '761 patent are apparatus claims that cover a system "that facilitates management of data."   Claim 21 covers a computer-readable medium for storing executable instructions for a method of managing data. Because the legal indefiniteness issues as to claims 1, 21 and 23 are identical, for ease of reference and consistency, references to "the system claims" in this reply brief are intended to refer collectively to claims 1, 21 and 23.

which the user turns a key to start it. The system claims of the '761 patent are, in this respect, no different because they cover both (1) a system for facilitating management of data and (2) the use of that system through the user-performed act of accessing or employing the data from the second context or user workspace. The Court should therefore declare the asserted system claims, and all asserted claims that depend from them, indefinite and therefore invalid.

B.   The Method Step In The System Claims Is Not A "Functional Limitation"

Leader describes a functional limitation as "an attempt to define something by what it does rather than by what it is," D.I. 652 at 10 (quoting *Ricoh Co. v. Katun Corp.*, 486 F. Supp. 2d 395, 402 (D.N.J. 2007)), but the method step in the system claims is <u>not</u> a functional limitation under this definition. The method step neither defines what the claimed system "is" nor "what it does." It instead describes the performance of an actual step in which "the user accesses" or "the user employs" data from the second context or user workspace.

The cases cited in Leader's opposition all involve claim language that recites a capability or function of a claimed apparatus. The rationale behind these cases is that a limitation merely stating a capability or function does not require any step to be actually performed, and therefore, does not run afoul of *IPXL*. *See, e.g.*, *Microprocessor Enhancement Corp. v. Texas Instruments Inc.*, 520 F.3d 1367, 1375 (Fed. Cir. 2008). This reasoning might have been relevant if the asserted claims were drafted to recite a system "wherein the user *can* access the data from the second context," but they were not. These system claims plainly require a separate act in which the user "accesses" or "employs" data. The use of active, present tense verbs clearly identifies an action that the user performs, not an action to which the system is capable of responding.

Leader's contention that the method step is "a functional limitation" is also inconsistent with the prosecution history. Claim 21 recites a computer-readable medium with instructions for "dynamically associating the data and the application . . . such that ***the user employs*** the application and data." That claim limitation originally said, "such that the user ***can employ*** the

application and data," but Leader struck "can employ" during prosecution and replaced it with "employs," explaining that its amendments were made "to more clearly recite the invention." Declaration of Mark R. Weinstein ("Weinstein Decl.") Ex. A at 9 (showing amendments to claim 40, issuing as claim 21); *id.* at 12. This amendment not only demonstrates that Leader knew how to draft a functional claim limitation, but chose to abandon it in favor of claim language requiring actual action by the user.[2]

Claim 22 (which Leader did not assert) provides further evidence that the lack of functional language in the system claims was a deliberate choice by Leader. Claim 22 recites "a system that facilitates management of data" with means-plus-function elements that mirror the functions in claims 1, 21 and 23. But claim 22 concludes with the step of updating the metadata "such that ***the user can employ*** the application and data from the second user workspace," which stands in contrast the to the asserted system claims that say that "the user accesses" or "the user employs" the data or the application. These differences confirm that had Leader intended to merely claim a system for giving the user the *capability* to access or employ the data from a second context or workspace, it certainly knew how to do so.

C.   Leader's Attempt to Treat "Wherein" As "When" Fails – Again

Leader's contention that the method step in the system claims is merely functional rests on the now-familiar argument that it abandoned at trial – that the word "wherein" means "when." In at least ten places in its opposition brief discussing the language of the system claims, Leader conspicuously substitutes "wherein" with "when." *See*, *e.g.*, D.I. 652 at 2 ("An infringing tracking component is one that is built with this functionality, *i.e.*, the ability to dynamically

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[2]   Another example also appears in claim 21 within the claim element immediately following the "user employs" method step. That element, "indexing the data created in the user workspace such that a plurality of different ***users can access*** the data via the metadata," was added in the very same amendment in which Leader changed "the user can employ" to "the user employs." Weinstein Decl. Ex. A at 9. The addition of functional language to claim 21, immediately after an explicit method step, provides further evidence that the method step is not a "functional limitation" as Leader contends.

update metadata ***when*** a user accesses data from a second context.").[3]   Leader does not articulate

any rationale for these repeated substitutions, nor can it.

"Wherein" does not mean "when."   The Court construed "wherein" to mean "in which."

D.I. 601, Jury Instruction 3.4, at 24.   As the Court will recall, Facebook urged the Court to

construe "wherein" because Leader had improperly argued throughout trial that "wherein" meant

"when."   D.I. 596 at 4-6; *see also* Weinstein Decl. Ex. B at 1613:24-1618:12.   Facebook argued

that "wherein" should be construed as "in which," and should specifically exclude "when" to

preclude Leader from continuing to make that improper argument.   *Id*.   The Court specifically

asked Leader: "is it enough for me to construe wherein as in which and not go the extra mile and

say not when?"   *Id*. at 1634:22-1635:2.   Leader's counsel represented to the Court that such a

clarification was unnecessary, and reassured the Court that: "**I'm not going to argue when**.   I'm

arguing which.   That's been our position throughout this entire case.   It is in which."   *Id*. at

1635:24-1636:3 (emphasis added).   Despite this unequivocal representation, Leader is again

arguing that "wherein" means "when."   Leader's attempt to rewrite its claims to say something

they do not should be rejected – again.   *See Helmsderfer v. Bobrick Washroom Equip., Inc.*, 527

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[3]   *See also* Leader's Opposition, D.I. 652 at 2 ("[T]he tracking component of the '761 Patent is
one that dynamically updates metadata ***when*** a user accesses data from a second context."); *id.* at
3 ("The tracking component tracks a user as they move between contexts and dynamically
updates the metadata ***when*** a user accesses data from a different context."); *id.* at 9 ("In other
words, the tracking component of Claim 1 has the capability of updating the metadata ***when*** a
user accesses data from a second context with information about the second context."); *id.* (claim
23 "requires the capability of storing change information as part of the metadata ***when*** a user
accesses data from another workspace."); *id.* at 13 ("Instead, as written, these claims provide
functional language that describe two particular types of tracking components, one that
dynamically updates metadata ***when*** a user accesses data from a second context and the other
which dynamically stores change information ***when*** a user accesses data from a second user
workspace."); *id.* ("Claim 21 describes a computer program that dynamically associates data
when a user employs data from a second workspace."); *id.* at 15 ("the claims of the '761 Patent
describe 'the capability of the [tracking component],' i.e., the ability to dynamically update
metadata ***when*** a user accesses data from a second context."); *id.* at 19 ("Facebook makes a
system that contains a context component that captures context information and stores the
context information in metadata and a tracking component that tracks users and dynamically
updates the metadata ***when*** a user accesses data from a second context.") (emphasis added).

F.3d 1379, 1383 (Fed. Cir. 2008) ("Courts cannot rewrite claim language."); *Rembrandt Data Techs., LP v. AOL, LLC*, 673 F. Supp. 2d 420, 426 (E.D. Va. 2009) ("Courts must construe the claim as written, not as the patentees wish they had written it.") (quotations omitted).

But even if Leader were entitled to ignore the plain language of the system claims and the Court's claim construction ruling, the intrinsic evidence plainly demonstrates that "wherein" and "when" have different meanings. Claim 24, for example, depends from claim 23 and reads: "The system of claim 23, **wherein** the tracking component automatically creates the metadata **when** the user accesses the first user workspace." This claim plainly uses "wherein" as "in which," a grammatical connector between the preamble of claim 24 and the additional limitation that follows. The claim continues by using the phrase, "when the user accesses," which is the exact meaning Leader attributes – incorrectly – to the "wherein" clause in claim 23. This claim language unambiguously demonstrates that Leader knew the differences between "wherein" and "when," and intentionally used them separately to convey different meanings.

The fact that the "wherein" clause adds a method step and is not merely functional language is supported by the fact that the claim in *IPXL* was found invalid despite the fact that the offending language was part of a wherein clause. 430 F.3d at 1384 ("The system . . . wherein . . . the user uses the input means . . ."); *see also* D.I. 384, Ex. A, '761 patent, claim 1 ("A computer-implemented system . . . wherein the user accesses the data . . ."). In each case, a "wherein" clause in a system claim requires the user to perform an affirmative act, resulting in a mixture of statutory classes that fails under *IPXL*. *See Ariba, Inc. v. Emptoris, Inc.*, Civ. A. No. 9:07-CV-90, 2008 WL 3482521, at *7-8 (E.D. Tex. Aug. 7, 2008) (providing another example of a system claim invalidated under *IPXL* where the offending method step was in a "wherein" clause).

D.   Leader's Distortion of the Prosecution History Is Without Merit

Leader also argues that Facebook's motion should be denied because "it was the

Examiner who wrote the disputed claim language," D.I. 652 at 8, but this contention is irrelevant and factually incorrect. As explained above, the method step in claim 21 ("the user employs the application and data") was drafted solely by Leader in an amendment to its claims many months *before* the Examiner's Amendment.   The Examiner's Amendment adopted this preexisting language when it added a substantially similar limitation to claims 1 and 23.   There is no evidence to support Leader's speculation that the method step in claims 1 and 23 was drafted or even suggested by the Examiner.

The amendments that resulted in the "wherein" clauses in claims 1 and 23 were discussed during an interview between Leader's representative and the Examiner that took place two weeks before the Notice of Allowability. *See* Weinstein Decl. Ex. C ("Applicant and Examiner discussed amending [the pending claims] to overcome the prior art by an Examiner's Amendment (attached)"). This interview came after "multiple interviews" between Leader and the patent examiner earlier in 2006, and the prosecution history contains no record of the substance of those interviews. *See id.* Ex. D at 10 (thanking patent examiner for the "courtesies extended during multiple interviews regarding prosecution of the subject application.").   There is nothing in the prosecution record to indicate who originally suggested the method step in claims 1 and 23 – but considering that claim 21 *already* included substantially the same method step, the more plausible explanation is that existing language was simply adapted to make claims 1 and 23 consistent with claim 21.

In any event, Leader's attempt to shift the blame to the Examiner for the offending claim language is legally irrelevant.   Leader does not claim that the Examiner's Amendment or anything in the prosecution history relating to it sheds light on the meaning of the method step in the system claims. The only relevant question here is <u>whether</u> the asserted system claims include a method step, not <u>how</u> that step came into existence. *See Rembrandt*, 673 F. Supp. 2d at 426-27 (invalidating apparatus claim under *IPXL* notwithstanding that all parties agreed that the method

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step was the result of a drafting error).

Finally, Leader's suggestion that the asserted system claims are not invalid because the patent examiner allowed them is similarly unavailing. *See* D.I. 652 at 7-8. The same can be said of any claim that is challenged on the grounds of indefiniteness in court – every claim found indefinite by a district court was necessarily a claim previously allowed by a patent examiner. The apparatus claim invalidated in *IPXL*, for example, was obviously found patentable by an examiner, as it resulted in the infringement suit that produced the Federal Circuit's opinion. In the present case, the fact that the patent examiner allowed the system claims has no bearing on whether those claims are indefinite under 35 U.S.C. § 112 ¶ 2 and *IPXL*. There is no evidence that the examiner ever considered the indefiniteness issue presented in this motion.

E.   Leader's Attempt to Distinguish *IPXL* Is Unavailing

Leader next argues that *IPXL* is distinguishable because its holding "is limited to a user using components of a system." D.I. 652 at 14. Leader reasons that the asserted system claims do not implicate *IPXL* because they do not use the words, "the user uses the network-based system" or "the user uses the computer-implemented system." D.I. 652 at 13. Leader's attempt to limit or distinguish *IPXL* fails for two reasons.

First, the *IPXL* decision establishes the broader proposition that a single claim reciting "the combination of two separate statutory classes of invention," *e.g.*, an apparatus claim that includes a method step, is invalid. 430 F.3d at 1384 (citing *Ex parte Lyell*, 17 U.S.P.Q.2d 1548, 1550 (1990)). Any claim that results in such a combination is invalid no matter the specific language the patentee used to express it. A system claim containing a method step is invalid under *IPXL* regardless of whether the offending method step recites what Leader calls "a user using components of a system" D.I. 652 at 14, or a user using the system as a whole. In fact, *IPXL* does not even require that the method step involve user action at all – a method step performed by the system itself, requiring no user involvement, invalidates a system claim. *See*,

e.g., *Rembrandt*, 673 F. Supp. 2d at 426-27 (invalidating apparatus claim under *IPXL Holdings* because of method step performed by the claimed data transmitting device); *HTC Corp. v. IPCom GMBH & Co., KG*, Civ. A. No. 08-1897 (RMC), ___ F. Supp. 2d ____, 2010 WL 3338536, at *25-26 (D.D.C. Aug. 25, 2010) (invalidating claim under *IPXL Holdings* because "[t]he claim describes the apparatus as actually performing the method steps; it does not merely define the apparatus as a structure has certain means enabling it to perform certain steps."). There is no support for Leader's contention that *IPXL* is "limited to a user using components of a system," or for Leader's attempt to limit it to claims employing certain magic words.

Second, even if Leader's restrictive interpretation had merit, *IPXL* would still apply to the asserted system claims. This is because the "user" recited in those claims is obviously a user of the claimed system that "facilitates the management of data." When a system *user* "accesses" or "employs" the data from the system's second context or user workspace, that user is unquestionably using the claimed system in performing that act.

F.   Leader's "Evidence" Of Definiteness Raises No Issue of Material Fact

Leader also argues that claims 1, 21 and 23 are not indefinite because these claims, according to Leader, can be understood by those of skill in the art. Leader points to the fact that Facebook's invalidity expert, Dr. Saul Greenberg, "was able to prepare an invalidity expert report applying several pieces of prior art to the claims." D.I. 652 at 11. This argument misses the point. The asserted system claims are indefinite because there is a fundamental flaw in the structure of the claims and irreconcilable confusion as to what they cover – not because individual words or phrases are unclear in isolation. Because these claims merge apparatus components and method steps, a competitor cannot determine if those claims are infringed by the mere manufacture, use or sale of the claimed system, or only if a user actually accesses or employs the data from the second context or user workspace. No expert offered an opinion on this issue during expert discovery, nor would such an opinion have served any purpose – the

applicability of *IPXL* presents a purely legal question of claim interpretation for which expert testimony would not be helpful. And that legal question is entirely separate from (and irrelevant to) the prior art invalidity issues that Dr. Greenberg and Leader's invalidity expert testified about at trial because it has no bearing on whether the claim elements can be mapped to the prior art.[4]

Leader's related complaint that Facebook's motion does not provide sufficient evidence or argument on indefiniteness likewise fails. Leader does not suggest what additional evidence or argument Facebook could have presented, nor could it. For example, the motion for summary judgment filed by Amazon.com in the *IPXL* case that resulted in the Federal Circuit's opinion devoted only two pages to the indefiniteness issue and relied on nothing beyond the language of the claim. *See* Weinstein Decl. Ex. E at 37-38. That motion was sufficient to result in the grant of summary judgment by the district court, affirmed by the Federal Circuit, so there is no basis for Leader to claim that Facebook has not met its burden under Fed. R. Civ. P. 56 through the more extensive motion filed with this Court.

G.   **Leader's "Waiver" Arguments Are Without Merit**

Finally, Leader argues that Facebook "waived" its indefiniteness arguments by offering proposed constructions for terms in the '761 patent. Leader complains that because Facebook

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[4]   Leader filed a declaration from its invalidity expert, Dr. Herbsleb, containing previously-undisclosed opinions relating to indefiniteness. *See* D.I. 653, ¶¶ 3-6. Dr. Herbsleb never provided an opinion on indefiniteness in his expert report. *See* Weinstein Decl. Ex. F. His new declaration should therefore be stricken as a violation of the Court's scheduling order and the expert disclosure requirements of Fed. R. Civ. P. 26(a)(2). Even if considered, however, Dr. Herbsleb's declaration would raise no genuine issue of material fact for two reasons. First, the indefiniteness question presented by this motion is a pure question of claim construction, *i.e.*, whether the system claims require the performance of a method step. Nothing in Dr. Herbsleb's declaration can change the claim language. Second, Dr. Herbsleb's declaration does not address whether the system claims include a method step. The declaration merely includes the naked conclusion that Dr. Herbsleb was "able to determine that a person of ordinary skill in the art would be able to understand the scope and bounds of the claims of the '761 Patent." D.I. 653, ¶ 3. This conclusory assertion raises no genuine issue of material fact to prevent summary judgment. *See Sitrick v. Dreamworks, LLC*, 516 F.3d 993, 1001 (Fed. Cir. 2008) ("Conclusory expert assertions cannot raise triable issues of material fact on summary judgment.").

offered constructions for "wherein" and the phrases "accesses the data" and "employs the application and data," Facebook "cannot now argue the terms are insolubly ambiguous and incapable of being understood by one of skill in the art." D.I. 652 at 19. Leader's position is without legal basis. *See, e.g.*, *Harrah's Entm't, Inc. v. Station Casinos, Inc.*, 321 F. Supp. 2d 1173, 1176 (D. Nev. 2004) (defendant's submission of proposed construction for claim terms did not waive argument that that those terms were indefinite).

Leader's waiver arguments fundamentally misunderstand the nature of the indefiniteness issue in this motion. Facebook is **not** arguing that individual terms or phrases in the method steps are "insolubly ambiguous" when viewed in isolation. Rather, as the Federal Circuit made clear in *IPXL*, the fatal lack of clarity in claims of this kind is created by their impermissible mixing of system and method limitations, which renders them indefinite. 403 F.3d at 1384. The fact that Facebook offered constructions for some of those terms and phrases has nothing to do with whether they render the system claims "hybrid" claims invalid under *IPXL*.

III.   CONCLUSION

For the reasons stated above, Facebook respectfully requests that the Court grant summary judgment of invalidity as to claims 1, 4, 7, 21, 23, 25, 31 and 32 of the '761 patent.

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