

HON. MARSHA J. PECHMAN

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

INTERVAL LICENSING LLC,

Plaintiff,

v.

AOL, INC.; APPLE, INC.; eBAY, INC.;
FACEBOOK, INC.; GOOGLE INC.;
NETFLIX, INC.; OFFICE DEPOT, INC.;
OFFICEMAX INC.; STAPLES, INC.;
YAHOO! INC.; AND YOUTUBE, LLC,

Defendants.

Case No. 2:10-cv-01385-MJP

**MOTION FOR CLARIFICATION,
RECONSIDERATION, AND
MODIFICATION OF THE FEBRUARY
16, 2011, SCHEDULING ORDER, BY
DEFENDANTS eBAY, INC.; NETFLIX,
INC.; OFFICE DEPOT, INC.; AND
STAPLES, INC.**

**Note on Motion Calendar:
March 2, 2011**

1 Movants seek clarification, reconsideration (pursuant to L.R. 7(h)), and modification
2 (under Fed. R. Civ. P. 16(b)(4)), of the Court’s Scheduling Order of February 16, 2011 (the
3 “Order”). Movants seek clarification on the application of the Order’s cap on “claim terms” that
4 the Court will construe. The requests for reconsideration and modification address concerns that
5 are more concrete now that the defendants have finalized and served their invalidity and non-
6 infringement contentions (served on February 28). While some of these concerns may be better
7 addressed after the parties have tried to narrow their claim-construction disputes, Movants do not
8 wish to risk waiving their concerns and therefore are filing this motion within the 14-day limit
9 set forth in Local Rule 7(h).

10 **This Motion Does Not Seek to Delay any Date Set in the Court’s Order.**

11 The four Movants are accused in only the ‘682/’507 patent track. They have retained the
12 same counsel. Although cognizant of the need to manage multi-party litigation, Movants submit
13 that fairness, due process, and the public policy favoring invalidity challenges to patents,
14 supports Movants’ request for more leeway than allotted in the Order, in certain limited respects.
15 The harm caused to Movants’ substantive defenses outweighs any added costs associated with
16 the requested modifications—the standard set by the Federal Circuit two days after this Order.
17 *Cf. In re Katz*, 2011 WL 607381, * 3 (Fed. Cir. February 18, 2011) (a court’s procedure limiting
18 the number of patent claims asserted would violate due process if it “risked erroneously
19 depriving [the patent owner] of its rights and that the risk outweighed the added costs associated
20 with a substitute procedure.”) The defendants’ invalidity and non-infringement contentions
21 served since entry of the Order (submitted herewith (without their appendices) as Exhibits A-E)
22 show that the substantive disputes here greatly exceed the bounds set by the Order for resolving
23 those disputes. If not amended, the Order would in effect deny Movants multiple viable defenses
24 they could have asserted had they been sued separately in separate suits, which would violate due
25 process and be manifest error.
26
27

1 **Number Of Terms And Phrases To Be Construed By The Court:** Movants request
 2 reconsideration and modification, asking the Court to permit the parties to identify up to 20 claim
 3 terms/phrases in the '682/'507 patent track for claim construction, rather than only 10.

4 The Order states that the "Court will construe a maximum of 10 claim terms per track,"
 5 and that "the '507 and '682 Patents track shall have 10 claim terms in total selected from the
 6 '507 and '682 Patents to be presented for construction." (Unlike the Patent Local Rules, the
 7 Order apparently does not restrict this limit to only an "initial Markman hearing.") If Plaintiff is
 8 entitled to select half of those 10 terms, then the defendants in this track collectively may select
 9 for construction in this case only five claim terms, from the 35 patent claims asserted against
 10 them. And, Movants must agree with the other defendants in this track, on those five terms.
 11 This will force Movants to drop legitimate invalidity and non-infringement defenses.

12 Determining the scope of a patent claim is a threshold step in most invalidity and non-
 13 infringement defenses in a patent case. Defendants' invalidity contentions, served on February
 14 28, 2011, are attached hereto as Exhibit A. They identify multiple problems with the asserted
 15 claims, including dozens of disconnects between the claims and the patent disclosures, rendering
 16 the claims invalid for indefiniteness, lack of written description support and non-enablement.
 17 Some of these Section 112 defenses do not require a full, detailed claim construction, and, of
 18 course, theories are whittled down as any case proceeds. Nevertheless, each is a legitimate
 19 defense, and each has potential as an independent substantive reason to invalidate these asserted
 20 claims. Preventing Movants from seeking a claim construction necessary to such a defense in
 21 effect bars the defense, contrary to Federal Circuit precedent requiring trial courts to resolve
 22 legitimate claim construction disputes. *See O2 Micro Int'l Ltd. v. Beyond Innovation Tech. Co.*,
 23 521 F.3d 1351, 1356 (Fed. Cir. 2008) ("When the parties raise an actual dispute regarding the
 24 proper scope of these claims, the court, not the jury, must resolve that dispute.").

25 Listed below are 12 terms/phrases from the asserted '682 patent claims that, at a
 26 minimum, ought to be construed (or declared not amenable to construction), to allow Movants to
 27 assert their defenses at trial and in pre-trial motions (see Exhibit A):

1. “an item”;
2. “an item ... is of current interest”;
3. “an indication that an item ... is of current interest”;
4. “real time”;
5. “process the indication”;
6. “determine an intensity value to be associated with the indication”;
7. “determine . . . an intensity weight value”;
8. “adjusting the intensity value”;
9. “based on a characteristic for the item provided by the source”;
10. “inform the participant that the item is of current interest”;
11. “processing the indication comprises determining the intensity value for the indication . . . the intensity value representing the weight that will be given to the indication”; and
12. “calculating an intensity rank for the item . . . the intensity rank indicating the level of current interest of the item relative to other items.”

And, for the '507 patent, at least the following 16 claim terms/phrases at a minimum ought to be construed, to allow Movants to assert their defenses (see Exhibit A):

1. “a body of information”;
2. “segment”;
3. “each segment representing a defined set of information in the body of information”;
4. “acquiring data representing the body of information”;
5. “generating a display of a first segment of the body of information”;
6. “comparing data representing a segment of the body of information to data representing a different segment of the body of information”;
7. “predetermined criteria”;
8. “generating a display of a portion of, or a representation of, a second segment of the body of information”;
9. “the display of the portion or representation of the second segment is generated in response to the display of a first segment”;
10. “a first segment to which the second segment is related”;
11. “audiovisual data”;
12. “an audiovisual display of the first segment”;
13. “determining the similarity of the subject matter content of a segment to the subject matter content of a different segment”;
14. “relevance feedback method”;
15. “acquiring computer-readable data files over a computer network from an information providing site that is part of that network”; and
16. “a computer readable medium encoded with one or more computer programs.”

Even if not construed now, if these claims survive to trial, the Jury needs to be instructed on the meaning of this claim language. Movants hope to reach agreement with Plaintiff on some of these terms, but no party has yet exchanged proposed constructions.

1 **Claim Language Too Unclear To Construe:** Movants request clarification that the cap
2 on claim terms does not apply to challenges of claim language as indefinite (and/or contrary to
3 what the applicant “regards as the invention”) under 35 U.S.C. § 112, ¶ 2. Movants, in the
4 alternative, request reconsideration and modification permitting Movants to challenge on these
5 grounds up to five additional claim terms/phrases in the ’682/’507 patent track, without seeking
6 constructions of those terms/phrases. Further, Movants seek leave to challenge those claim
7 terms/phrases in separate briefing simultaneous with the Markman briefing, not counting toward
8 the Markman-briefing (or dispositive-motion) page limits.

9 Some claim language is so unclear that it cannot be construed. For example, all asserted
10 claims of the ’682 patent refer to “an intensity weight value.” This language is nonsensical. It is
11 found nowhere in the patent application as filed but was added more than three years later,
12 apparently the result of attorney error. Movants have identified in Exhibit A several other
13 terms/phrases in the asserted claims that likewise are indefinite.

14 **Claims As A Whole, Directed To Patent-Ineligible Abstract Ideas:** Movants request
15 clarification that the cap on claim term constructions does not also limit the number of claims
16 that may be challenged as a whole as being invalid under 35 U.S.C. § 101, for being directed to
17 abstract ideas without limiting those ideas to a particular machine or particular transformation of
18 a particular article. Movants, in the alternative, request reconsideration and modification
19 permitting them to challenge each asserted claim on this ground, without counting against the
20 claim-term cap. Further, Movants seek leave to assert Section 101 invalidity in separate briefing
21 simultaneous with the Markman-briefing, not counting toward the Markman or dispositive-
22 motion page limits.

23 The threshold issue in determining whether a patent claim recites subject matter eligible
24 for patenting under Section 101 is to construe the scope of the claim. This typically does not
25 require a full construction of any claim term; but it is claim construction. For example, properly
26 construed, does the challenged claim as a whole require that its nominal method be performed on
27 a particular machine? Movants ask that such claim-as-a-whole constructions not count toward

1 the claim-term limit. Indeed, there are more than ten asserted claims which are invalid on this
 2 ground, and each requires the claim as a whole to be construed. For example, at least asserted
 3 claims 3-9, 11-13, 16-17 and 20 of the '682 patent are directed to abstract ideas.

4 **No Patentable Weight:** Sometimes patent claim language is entitled to “no patentable
 5 weight” when comparing the claim to the prior art. *Astrazeneca LP v. Apotex, Inc.*, 2010 U.S.
 6 App. LEXIS 22660; 97 U.S.P.Q.2D (BNA) 1029 (Fed. Cir. Nov. 1, 2010) (“claimed instructions
 7 here are not entitled to patentable weight.”). Movants request the same clarification,
 8 reconsideration and modification as above—permitting Movants to challenge claim preambles or
 9 other claim language as having no “patentable weight,” without such challenges counting toward
 10 the claim-term limit or page limits set in the Order.

11 Here, multiple asserted claims have such claim language. For example, the preamble of
 12 claim 1 of the '682 patent recites that an item is “accessible by the participant via a network,” but
 13 the claim does not require that a participant actually access the item. Thus, although this is a
 14 limitation that must be met for infringement, it is a mere “intended use” that is given no
 15 “patentable weight” when comparing the claim to prior art. This too is an issue of claim
 16 construction for the Court, and it is best resolved during Markman proceedings, rather than jury
 17 instructions (if not raised by dispositive motions).

18 **Markman-Brief Page Limits:** To the extent that the Court requires Movants to raise
 19 any indefiniteness, Section 101 and “no patentable weight” issues in their Markman brief,
 20 Movants request reconsideration and modification and ask for 60 and 30 pages rather than 40
 21 and 20 pages for opening and responsive Markman briefs. As noted, the number of disputed
 22 claim terms/phrases will, if permitted, exceed five per patent, and the claim construction issues
 23 are not limited to disputed claim terms.

24 **Dispositive-Motion Page Limits And Successive Motions:** Movants seek both
 25 clarification and reconsideration/modification of the Order regarding dispositive motions:

26 For any dispositive motions, each side shall have 40 pages maximum for opening
 27 and responsive briefing. Reply briefs are limited to 20 pages. If any individual
 Defendants wish to file separate dispositive motions on issues not common to all

1 Defendants, they must seek leave of Court at least 5 days before filing. Per Local
2 Rule CR 7(e), the filing of multiple dispositive motions to avoid page limits are
3 strongly discouraged and successive motions will be stricken. (Order at 4:7-12).

4 Movants seek clarification (and, in the alternative, reconsideration) that they may file
5 multiple dispositive motions, e.g., one or more early in the case and some later in the case,
6 subject only to a cumulative limit on the total number of pages of those motions. Pursuant to the
7 Court's Standing Order, Movants would seek specific leave to file any pre-Markman motion
8 raising an issue of claim construction.

9 Movants also seek reconsideration and ask that they be allotted a total of 60 pages, not 40
10 pages, collectively, for their joint dispositive motions. The parties' infringement, non-
11 infringement and invalidity contentions show that the disputed issues are many. Plaintiff
12 presently asserts 35 claims against Movants, and Movants' accused systems are not identical to
13 each other. Two Movants' non-infringement motions may raise the same issue (e.g., lack of the
14 same required limitation in the claim), but require separate supporting factual descriptions.

15 **Renewed Motion To Sever; Consolidation:** Movants will file this week a renewed
16 motion to sever or dismiss. If each Movant is dropped from this action, each consents to
17 consolidation of pre-trial proceedings for all four Movants. Being represented by the same
18 counsel, this would be the most efficient course. Movants would object, however, to any
19 consolidation with other defendants which limits Movants' ability to choose the defenses to
20 assert, or when to assert them, or what claim terms to seek to have construed, etc.

21 DATED this 2nd day of March, 2011.

22 KLARQUIST SPARKMAN, LLP

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Attorneys for Defendants eBay Inc., Netflix, Inc., Office Depot, Inc., and Staples, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on March 2, 2011, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing on all counsel who are deemed to have consented to electronic service.

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