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May 10, 2024

VIA EMAIL

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Re: Signify North America Corporation et al. v. Menard, Inc. et al., No. 3:22-cv-00706-jdp

Dear Jason:

On behalf of Menard's and the Third-Party Defendants' (collectively "Defendants"), we write in response to your May 7, 2024 letter raising alleged deficiencies in the Defendants' opening invalidity expert reports served on April 29, 2024. We disagree with Signify's position that the invalidity expert reports raised any "new theories not properly disclosed in Defendants' Invalidity Contentions," as set forth below. Defendants have complied with all applicable notice and pleading standards required in this jurisdiction. Defendants will not be withdrawing any invalidity theories set forth in its invalidity expert reports.

I. Defendants' Invalidity Contentions Complied With This Court's Rules

As Defendants previously stated in response to Signify's earlier allegations that Defendants' invalidity contentions were somehow deficient, this Court does not follow any particular local patent rules. Instead, the parties' respective contentions are bound by the Scheduling Order in this case, ECF No. 193, which states with regards to a defendant's invalidity contentions: "[D]efendant must identify each piece of prior art on which it will rely to show the invalidity of each asserted patent, and the basis for any other allegation of invalidity or unenforceability. Invalidity contentions based on prior art must be made in claim chart form." (ECF No. 193 at 2.) As set forth in greater detail in Defendants' December 19, 2023 letter, Defendants' invalidity contentions more than complied with this standard. This Court does not require an explanation of the application of the prior art to the asserted claims in the defendant's invalidity contentions. Such detailed application of the prior art to the asserted claims is left for

Jason M. Dorsky
May 10, 2024
Page 2

the expert reports. *See GREE, Inc. v. Supercell Oy*, No. 19-CV-00310-JRG, 2021 WL 603727, at *2 (E.D. Tex. Feb. 16, 2021) (declining to strike portions of accused infringer’s invalidity expert report and finding that defendant’s expert is allowed “to provide additional details and examples for a previously disclosed invalidity theory relating to a prior disclosed reference”); *Personalized Media Comm’ns, LLC v. Apple, Inc.*, No. 15-CV-01366, 2021 WL 310789, at *3 (E.D. Tex. Jan. 29, 2021) (finding accused infringer’s invalidity contentions properly placed patentee on notice of invalidity theories where invalidity contentions provided “element-by-element charts for all primary references relied upon ..., additional element-by-element charts for secondary references, with targeted citations to the secondary references and the element(s) of the asserted claims disclosed therein ..., [and] an explicit listing of all primary references that could be combined with a delineated list of secondary references”).

II. All Invalidity Theories Were Disclosed in Defendants’ Invalidity Contentions

Contrary to the suggestion in your May 7 letter, Defendants’ invalidity expert reports did not add any new invalidity theories. Indeed, as stated on the cover pleading of Defendants’ Joint Invalidity Contentions, “[t]o the extent the attached claim charts cite to a reference for each element or limitation of an asserted claim, Defendant and the Third Party Defendants contend that such reference anticipates that claim and/or, in the alternative, renders the claim obvious.” (Defs. Joint Invalidity Contentions at 3.) Defendants’ invalidity expert reports did not introduce any new substantive references for which the technical disclosures were not already identified in Defendants’ invalidity contentions, and Defendants’ invalidity contentions further identified those prior art references which would serve as the basis for all anticipation and obviousness arguments.

Defendants’ invalidity contentions further indicated that:

[T]o understand and interpret any specific statement or disclosure within a prior art reference, such persons may rely on other information within the reference, along with other publications and their general scientific knowledge. Defendant and the Third Party Defendants may rely on the entirety of the listed references, including uncited portions of those references, references incorporated by reference, and on other publications and expert testimony shedding light on those references, including to aid in understanding and interpreting the cited portions, to provide context, and to provide additional evidence that the prior art discloses a claim limitation or that it was readily known to a person of ordinary skill in the art.

(Defs. Joint Invalidity Contentions at 2-3.) Reliance by an expert for disclosure of a particular claim limitation on a different paragraph of a previously disclosed reference does not constitute a “new theory” of invalidity. *See GREE*, 2021 WL 603727, at *2. Signify does not identify any

Jason M. Dorsky
 May 10, 2024
 Page 3

binding authority, or any authority whatsoever, supporting its contention that Defendants' invalidity expert reports somehow introduced new invalidity theories.

III. Defendants' Expert Reports Reduced the Number of Asserted References and Combinations

Further contrary to the suggestion in your May 7 letter, Defendants' invalidity expert reports did not add any new prior art references. Indeed, quite the opposite—Defendants' invalidity expert reports significantly narrowed Defendants' invalidity theories being presented by dropping many of the prior art references and combinations originally identified in Defendants' invalidity contentions. We have prepared the following chart to help you understand just how much the invalidity issues were narrowed in this case by way of Defendants' invalidity expert reports, despite your allegations that Defendants somehow added a whopping 240 new invalidity theories.

Patent No.	Inv. Conts. No. of References	Expert Report No. of References	Inv. Conts. No. of Theories	Expert Report No. of Theories
'399	43	4	36	4
'554	24	3	20	6
'604	7	6	14	12
'506	14	4	26	5
'643	24	3	20	6
'336	11	5	18	14

As seen above, Defendants have reduced the number of asserted prior art references from 123 in its invalidity contentions, to just 25 total prior art references across the six asserted patents—a reduction of more than 80% of the originally identified references. And as stated above, each of the disclosures of these 25 references were previously disclosed in Defendants' invalidity contentions on November 22, 2023. Accordingly, Defendants' total number of asserted prior art invalidity theories was similarly drastically reduced.

Jason M. Dorsky
May 10, 2024
Page 4

IV. Signify Cannot Identify Any Prejudice

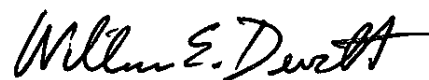
Nowhere in your May 7 letter does Signify identify with any particularity the prejudice it allegedly faces as a result of the prior art invalidity theories set forth in Defendants' invalidity expert reports. Your letter generally alludes to Signify not having a "fair and reasonable amount of time to review and consider the theories prior to responding to the same in rebuttal expert reports, or when preparing Signify's infringement expert reports." (Signify Letter at 1.) But such general statements fail to actually identify any prejudice.

First, Signify provides no explanation as to how it suffered any prejudice in preparing its opening infringement reports by the alleged inclusion of new invalidity theories in Defendants' opening expert reports. While the respective opening expert reports were served on the same day, they address independent issues for which each party preparing the respective report carries the burden. Signify has not identified how, even if Defendants' had introduced new invalidity theories in its opening invalidity expert reports (which they did not), such theories would have impacted the preparation of Signify's opening infringement opinions in any material way.

Second, as explained above, Defendants' invalidity expert reports did not introduce any new prior art references or combinations that were not already substantively disclosed in Defendants' invalidity contentions on November 22, 2023. Signify cannot claim surprise as to any of the prior art references or combinations addressed in Defendants' opening invalidity reports. Signify was on notice of all prior art references and combinations that Defendants' ultimately addressed in its opening expert reports for more than 5 months.

Finally, Defendants have no obligation to "provide pin cites to where in the Invalidity Contentions [we] believe each of these theories are fairly disclosed," and will not do so. Signify further cannot reserve the right to address any of the theories identified in your May 7 letter with supplemental expert reports or at trial if it chooses not to address such theories in the rebuttal expert reports due on June 3, 2024 pursuant to the scheduling order. Defendants reserve all rights to seek to exclude any such later-disclosed supplemental reports and/or opinions.

Best regards,



*Counsel for Third-Party Defendant Luminex
International Company, Ltd.*