IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
WACO DIVISION

IOENGINE, LLC *
* September 19, 2023
VS. *
* CIVIL ACTION NO. 6:21-CV-1296
ROKU INC. *

BEFORE THE HONORABLE ALAN D ALBRIGHT
PRETRIAL CONFERENCE

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09:12 (Hearing begins.)

09:12 DEPUTY CLERK: Court calls Waco 21-CV-1296, IOENGINE, LLC versus Roku, Inc. for a final pretrial conference.

09:12 THE COURT: If I could have announcements from counsel, please, starting with plaintiff.

09:12 MR. UNDERWOOD: Good morning, Your Honor. Travis Underwood on behalf of the plaintiff. I'm joined this morning by Mr. Noah Leibowitz, Mr. Greg Chuebon, and Mr. Michael Joshi.

09:13 And we're ready to proceed with the pretrial conference.

09:13 THE COURT: Good morning.

09:13 Yes, sir.

09:13 MR. DEACONSON: Good morning, Your Honor. Dave Deaconson. I'm here on behalf of Roku. And participating today in handling a large part of the pretrial will be Tia Fenton, Christopher Ricciuti, Matt Gaudet. And then depending on how the Court's pleasure on MILs, Holly Engelmann will handle the MILS such as they are.

09:13 And then we also have Lisa Mandrusiak as the representative for Roku.

09:13 And finally but certainly not least is Elissa Sanford who will be handling our technical

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stuff.

THE COURT: I apologize for getting a late start. We were in the back trying to figure out our schedule because you all are a backup case in -- for your current trial setting, which in -- it appears to us the case in front of you is going to go.

And so it looks like we're going to push the trial -- have to push this trial back to early fall (sic). I think that's the consensus.

We have a criminal trial also in October that I'm dealing with, unusually for me. They usually do settle or plead, but this one I don't think will and we have to do some other stuff in it.

So it looks like this trial will be pushed back. We'll set it for as early in the spring as we want it.

Now, I'm happy if you all wanted to -- it would take both of you, if both of you wanted to stay as backup, you know, and go through that expense, you know, that's, you know, really up to you all.

But it makes more sense for me to make you all first on my docket in the spring than hold you backup for another trial that looks like it will go. But if either side would like to say that they want to keep it on the backup docket, I'm happy to hear that.

09:15 MR. LEIBOWITZ: Thank you, Your Honor.

I think we would confer with our client and see what the client's preference is. Right now if Your Honor could keep us on this for the time being, I think we would appreciate it, Your Honor. Certainly if that case did not settle, we would be ready to go.

THE COURT: Well, as of the today, it's a fairly metaphysical thing, but...

And so -- but let me hear from the defendant.

MR. DEACONSON: Your Honor, Roku would prefer a hard date in the spring versus a backup just because of all of the planning, the costs, and all that that would be necessarily incurred. It just makes sense to have a hard date where we all know we're going to go.

THE COURT: Yeah. I think that's what we should probably do, and we'll get you a date as soon as we can.

So that will -- also, the reason I'm bringing that up at the beginning is because it will have an -- probably have an impact -- not probably. It will have an impact on some of the motions to leave to supplement expert reports now that the trial date will be later.

09:16 With regard to Roku's motion for leave to serve supplemental expert reports, because I'm pushing this back, I'm going to grant that.

09:16 With regard to the plaintiff's motion to strike new fact and arguments raised in reply or alternate for leave, I'm going to deny that.

09:16 With regard to Roku's motion for leave to serve expert reports of Kindler and Russ, I'm going to grant that.

09:16 Okay. Now I need to take up, though -- first, I have at least a motion for summary judgment of no invalidity. Do I have also -- let me look -- motion for -- do I have a motion for invalidity as well?

09:17 I think what I'm going to do is take up the motion -- I'm going to do it in that direction.

09:17 Is the motion for invalidity also under Section 101?

09:17 Okay. Well, then let me hear from the plaintiff first on their motion of no invalidity due to Section 101.

09:17 MR. LEIBOWITZ: Thank you, Your Honor. Noah Leibowitz for IOENGINE.

09:17 THE COURT: Remind me where you practice.

09:17 MR. LEIBOWITZ: Where I practice, Your Honor, New York.

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THE COURT: Very good.

09:17 MR. LEIBOWITZ: But I will try to speak slowly.

09:17 THE COURT: Well, you can't do worse than the lawyers yesterday, so...

09:18 MR. LEIBOWITZ: Thank you, Your Honor.

09:18 And just to be clear, Your Honor, I believe there is a motion for invalidity that defendants will be presenting, but it's not one under Section 101.

09:18 THE COURT: That's the way I took it.

09:18 MR. LEIBOWITZ: Under 101 is for no invalidity. And as we explain in our brief, Your Honor, in two prior cases involving parent patents to the patents in -- to patents-in-suit in this case, the courts found the claims not invalid under the first step of Alice, the Alice Section 101 analysis, because they're not directed to an abstract idea.

09:18 And the same holds true here, Your Honor. In the first case, this is our first slide, Judge Sleet in the District of Delaware found as a matter of law that the claims recite a specific arrangement of components and a very specific implementation and structure of the executable program code.

09:18 And Judge Sleet also found the claims are

09:19 directed to addressing a specific technological problem
09:19 in then-existing computing environments.
09:19 In the second case in Delaware, Judge
09:19 Bryson, sitting by designation, also had a Section 101
09:19 motion and found the claims in the parent patents in
09:19 that case again not invalid under Section 101 under the
09:19 first step of Alice, finding that the claims are
09:19 directed to a novel computer architecture that's
09:19 designed to provide benefits because of the claim
09:19 structures of the computing elements, and that
09:19 IOENGINE's patents do not recite the use of
09:19 conventional computer components as a tool to
09:19 accomplish other objectives set forth in abstract
09:19 terms, and that there's sufficient structure in the
09:19 claims to ensure that IOENGINE is not simply laying
09:19 claim to an end result rather than to the process or
09:19 machinery employed to achieve that result.
09:19 And the claims -- just to be clear, the
09:20 claims in those parent patents in those cases, those
09:20 patents share an identical specification to the
09:20 patents-in-suit here. It's a direct line of
09:20 continuations. And they have claims that are
09:20 structured very similarly to the claims that are
09:20 asserted in this case, Your Honor.
09:20 We have -- we put it in our briefing, but

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we have a slide comparing the independent claim on the left here in the '584 patent. That's one of the independent claims that forms the basis for certain of the dependent claims here. And on the right side, the independent claim from the '969 patent, one of the grandparent patents, that were at issue before Judge Bryson.

And you can see the structure of the claim is very similar. We've obviously excerpted this a bit. But they talk about a portable device, communicating with a terminal. The portable device has a processor. It has a communications interface. It has memory, and it has certain program codes that are specifically set out and recite particular functionality for what the particular devices need to execute.

And the prior holdings in those cases, Your Honor, we submit, provide strongly persuasive authority, although obviously not binding on Your Honor, but persuasive that the asserted claims that are asserted here are also directed to patent-eligible subject matter.

As Judge Bryson held in the case before him, although when he was referring to the Judge Sleet case: Although the instant cases involved different

patents than the one involved in the Interactive Media case -- that's the Judge Sleet case -- the patents are from the same family, share a common specification, and are directed to the same general subject matter. Accordingly, Judge Sleet's analysis is directly applicable here and I find his opinion to be persuasive as to this issue.

And we would submit the same would hold true here with respect to patents that again are from the same family, share the same common specification, directed to the same subject matter, and with claims that are structured very similarly to those that were at issue before Judge Sleet and Judge Bryson.

Moreover, Your Honor, as the -- our briefing sets out, Judge Sleet and Judge Bryson were correct. As we cite in our briefing, there are a number of cases from the Federal Circuit that are instructive.

I'm sure Your Honor's familiar with the Enfish case, the Phillips case, and I added the case from this Court the Slyce Acquisition case talking about the focus of the claims being on an asserted improvement rather than a process that qualifies as an abstract idea.

And the claims here do not merely invoke

a computer as a tool for a well-known offline business practice or just set out a mathematical formula or idea and say, apply it to a computer.

Each of the claims in the asserted patents here sets out a three-part structure with a specific arrangement of hardware and purposefully allocated program code to distribute computing functions between devices: The portable device, which has its own processor, and the terminal which the parties agree, at a minimum, is a computing device.

And the purpose of the arrangement is to improve upon then-existing computing devices. As the specification explains: At the time of the invention, there was no effective solution -- this is a quote from the spec -- no effective solution to securely access, execute, and process data is available in an extremely compact form. Currently PDAs, which are considered among the smallest portable computing solution, are bulky, provide uncomfortably small user interfaces, and require too much power to maintain their data.

No solution exists that allows users to employ traditional large user interfaces they are already comfortable with, provides greater portability, provides greater memory footprints, draws less power, and provides security for data on the device.

09:24 And the specification solves this problem with a distributed computing environment and architecture that's recited in the claims, including the portable device with its own processing capabilities and its own memory and the specific distribution of the program codes that are recited in the claims.

The computing and the processing resources are allocated between the portable device and the terminal and driven by the claimed program codes to accomplish and in contrast to the then-executing bulky and uncomfortable devices.

Now, Roku's argument in their -- in their opposition to our motion is that in those other cases, the Judge Sleet case and the Judge Bryson case, the claimed arrangement was nonabstract only because the portable device relied on the terminal's network interface to "tunnel to the network."

Whereas, in the asserted claims here, the portable device has its own network interface. And it does. One of the elements of the portable device in these claims is its own network interface.

But, Your Honor, Roku's argument doesn't make any sense for a few reasons.

First, Roku is essentially arguing that

adding a piece of hardware to a device, in this case a network interface, to an otherwise nonabstract claim somehow transforms that claim into something that is abstract.

Roku doesn't cite any case supporting such a notion, and we're not aware of any case that would support the idea that adding a piece of hardware to an otherwise nonabstract claim to a device would then transform that claim into something that is abstract.

Now, Roku argues that by no longer "tunnelling" through the terminal, the claims read on the prior art. Well, we -- certainly we dispute that as a matter of the prior art.

But we also dispute what Roku means when it refers to tunnel as discussed in the specification.

In Roku's opinion, "tunnelling" means that the portable device has to go through the terminal to get to the network. Right? Here's Roku's conception. You have a portable device in the middle, a network on the left, and a terminal on the right, and the portable device has to go through the terminal to get to the network.

But the problem for Roku is that's not what the specification says when it talks about

tunnelling. When the specification talks about tunnelling, it starts from the perspective of the user, and here's the relevant quote: Thus to the user, the contents of the TCAP -- that's the way the specification refers to the portable device.

Thus to the user, the contents of the TCAP appear on the AT -- that's the terminal -- as being contained on the TCAP even though much of the contents may actually reside on the servers and/or the servers' storage facilities. In these ways, the TCAP tunnels data through an AT.

The data may be provided through the terminal's input/output for the user to observe it without it actually residing on the terminal.

Also, the portable device may tunnel data through a terminal across a communications network to access remote servers without requiring its own more complicated set of peripherals.

So the specification talks about what it means to tunnel through a terminal. It's that the -- in these ways, the portable device tunnels through the terminal. It is data that is provided from the portable device to the user through the terminal's, for example, output component displayed on the terminal screen for the user to observe without the data

09:27 actually residing on the terminal.

09:27 And the data appears on the terminal as
09:27 if it's contained on the portable device even though
09:27 much of the contents might actually reside up in the
09:27 network on a server.

09:27 So the portable device tunnels data from
09:27 the server through the terminal to the user.

09:28 Here's the configuration that we submit
09:28 as what the specification is talking about. You have a
09:28 portable device that's tunnelling data from a network
09:28 through a terminal to a user.

09:28 Now, Roku also argues that the claims are
09:28 no different than a laptop connected to an external
09:28 monitor. But, again, we also disagree with that.

09:28 The patents distinguish between monitors,
09:28 for example, analog displays that have no computing
09:28 ability and what the patent -- that which the patent
09:28 calls and refers to as peripheral devices, and
09:28 terminals which are themselves computing devices as
09:28 even Roku recognized.

09:28 The Court at Markman explained that
09:28 plaintiff agrees with defendant that terminal is a
09:28 computing device.

09:28 And in some of its briefing, Roku tries
09:28 to run away from the agreement that terminal is a

computing device. But here's what Roku's counsel said at the Markman hearing.

And so as Your Honor indicated, the only term that we'll be discussing today is the "terminal" term. And now the parties agree that "terminal" needs to be construed at a minimum as a computing device.

So there's agreement that a terminal is a computing device, not just an analog monitor that has no computing capabilities. And that's the way the patents use the term and the way the claims use the term.

And so at least as a matter of judicial estoppel, Roku should not be allowed to back away from this agreement as to what "terminal" means now. So simply construing a -- connecting a laptop to an external monitor does not result in the claimed configuration. The claims are to a portable device communicating with another computing device; that's the terminal.

But the bigger issue for Roku is that none of that matters for the Section 101 purposes. This motion is not an obviousness motion. It's not a motion for no invalidity over a combination of art that includes a laptop and a monitor.

The point here is that adding a network

interface to a nonabstract portable device claim doesn't make it abstract.

The two prior Section 101 decisions finding the claims not abstract were not based in any way on the requirement that the portable device tunnel through the terminal, much less that tunnelling requires using the terminal's network interface.

Instead, they were based on the specifically recited hardware on the different devices in the -- e.g. the processors, the memory, and the specifically recited program codes setting up a distributed computing relationship.

Moreover, the supposedly abstract idea that Roku points to on Page 9 of its opposition is the abstract idea, and I'm quoting here: The abstract idea of a portable device communicating with a network and displaying its output on a separate device. That's how they characterize the abstract idea.

And first of all, Your Honor, that may be a -- kind of a high level summary of how a device might work, but that's not an abstract idea. That doesn't comport with the other types of abstract ideas that this Court or the Federal Circuit has found ineligible for patent protection under Section 101.

But second of all, that's the -- exactly

09:31 the kind of generalization, when you read what Roku
09:31 writes in terms of a portable device communicating with
09:31 a network and displaying its output on a separate
09:31 device, that's exactly the kind of generalization the
09:31 Federal Circuit has explained is not suited to the
09:31 Section 101 analysis.
09:31 And the Federal Circuit held in the McRO
09:31 case: We have previously cautioned that courts must be
09:31 careful to avoid oversimplifying the claims by looking
09:31 at them generally and failing to account for the
09:31 specific requirements of the claims.
09:31 Roku's generalization doesn't take into
09:31 account the program codes, the specifically set out
09:31 hardware with respect to each device, or the
09:31 distributed computing architecture. And this case, the
09:31 McRO case, that's one that Judge Sleet cited in his
09:31 analysis and that bears citing here.
09:31 The asserted claims pass muster under
09:32 Alice Step 1. And the Court does not need to go any
09:32 further to grant IOENGINE's motion.
09:32 To the extent the Court reaches Alice
09:32 Step 2, as our briefing sets out, the Federal Circuit
09:32 has also found claims nonabstract under Alice Step 2 in
09:32 very similar circumstances.
09:32 For example, in the Amdocs case, the

09:32 Federal Circuit held there was an inventive concept
09:32 recited in computer codes, "computer code" with
09:32 specific functionality. And that's just like the
09:32 claimed program codes here.
09:32 The Federal Circuit held that although
09:32 the solution requires arguably generic components, the
09:32 generic components operate in an unconventional manner
09:32 to achieve an improvement in computer functionality.
09:32 And in particular, the Amdocs Court
09:32 pointed, in that case, to the invention's distributed
09:32 architecture and the components working together in a
09:32 distributed manner. That's exactly the way the claims
09:32 are set up here with respect to different devices
09:32 working in a coordinated manner in executing the claim
09:32 program codes.
09:33 This Court's cases in Polaris Innovation
09:33 and the Meetrix IP case, which we cite in our brief on
09:33 Page 11, the opening brief are to the same effect.
09:33 And although he didn't need to reach
09:33 Alice Step 2 either, Judge Sleet did -- he said that
09:33 the Court's -- the claims pass muster under Alice Step
09:33 1 and didn't need to reach Alice Step 2. But if he
09:33 did, he would also find that the claims recite --
09:33 recited -- excuse me -- an inventive concept for this
09:33 reason.

09:33 Roku launches in another Section 103 attack with its laptop plus monitor combination and a long line of what Mr. McNulty, the inventor here, supposedly did not invent.

09:33 But even crediting Roku's argument, the Federal Circuit has explained that the inventive concept inquiry requires more than recognizing that each element by itself was known in the art.

09:33 This has to be the case, because otherwise the Section 101 analysis would simply devolve into Section 102 or 103.

09:34 And nor is there any kind of user interface exception to Section 101, as Roku intimates on Page 12 of its opposition. Rather, the asserted claims here recite the inventive concept of a portable device with its own processor configured to execute specified program code in response to communications resulting from user interaction with a interactive user interface on a terminal, which itself is a computing device.

09:34 That's exactly the type of specificity the Federal Circuit found in the Bascom case to satisfy Alice Step 2.

09:34 Finally, Your Honor, and last, Roku cannot avoid summary judgment under Section 101 by

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reference to its conclusory expert report from Dr. Russ.

Dr. Russ spends barely three pages in his report on Section 101. He doesn't offer any factual support for any of his statements. He doesn't cite to any parts of the patent specification. He doesn't reference the asserted claims or any technical literature or any documents.

He has exactly one cite in the section of his report and that's Mr. McNulty, the inventor's, testimony. None of which related to any discussion of what was conventional at the time of the invention in 2001 or at the time of the patent filing in 2004.

So we submit, Your Honor, that this Court should find as a matter of law that the asserted claims here satisfy Section 101 and are patent eligible as a matter of law and grant IOENGINE'S motion for summary judgment.

Thank you, Your Honor.

THE COURT: A response? And if you all want to, maybe different people take up the motion for invalidity at the same time, I'm happy for that as well. If it's two people, I'm fine for that.

MR. RICCIUTI: May it please the Court. Christopher Ricciuti on behalf of defendant Roku.

09:36 And just make sure I get the laptop connection here. Connected.

09:36 Here we go. We had the wrong one.

09:36 So again, Your Honor, Christopher Ricciuti on behalf of defendant Roku. And may it please the Court.

09:36 I will be addressing the 101 portion of invalidity, and then my colleague Mr. Gaudet will be addressing the written description invalidity portion of the argument here today.

09:36 So the crux of IOENGINE's 101 argument was that 101 was adjudicated in two prior suits and that this Court should therefore do the same. The problem with this argument however, Your Honor, is that those prior cases involve entirely different claims with entirely different scope.

09:37 When you look at those claims and you look at the claims here and the broad scope of infringement allegations, you'll see that there is certainly no computer improvement like you may have had in the Federal Circuit Enfish or McRO; rather, you have an abstract idea and nothing more.

09:37 And so that gets us to the second slide here, Your Honor, and that specific abstract idea is a portable computing device communicating with a network

09:37 and displaying its output on a separate device, which
09:37 the patent calls a "terminal."
09:37 Now, this is no different than what
09:37 counsel for both Roku and IOENGINE did today and
09:37 countless other counsels have done before you for years
09:37 when they come into your courtroom.
09:37 They take their Internet-enabled laptop.
09:37 They stick it on to the counsel's table. They get a
09:37 cord, and they plug it in so that what is happening on
09:37 the laptop, you can see on the screen here.
09:37 That is not a computer improvement but an
09:38 abstract concept that Mr. McNulty cannot lay claim to.
09:38 And counsel for IOENGINE tries to shove
09:38 off the fact that Mr. McNulty, the purported inventor
09:38 of IOENGINE'S patents here, he did not invent portable
09:38 devices. There's no allegations that he has and he
09:38 doesn't -- he admits that he didn't invent them.
09:38 He didn't invent Internet connectivity
09:38 and he did not invent terminals. So simply having a
09:38 claim where you connect these things together in an
09:38 abstract way is not an improvement to computers.
09:38 If we turn to Slide 3, Your Honor, you
09:38 can take a look at some of the specific language that
09:38 counsel for IOENGINE focuses on.
09:38 If you look at Claim 184 on the left, you

09:38 see it recites a terminal. And before I get to the
09:38 terminal point, I just want to note that I think there
09:38 is a fundamental dispute between whether Roku agrees
09:38 that a terminal is a computing device, full stop.
09:39 We've always taken the position that a terminal cannot
09:39 just be defined as a computing device.
09:39 If you define it as solely a computing
09:39 device and you don't actually clarify what that means
09:39 per the specification, that would be an improper
09:39 construction. And so there is no agreement that you
09:39 can say computing device and that is enough for the
09:39 definition of terminal.
09:39 But what does Claim 184 say? Well, it
09:39 says you have a terminal comprising an output component
09:39 configured to present an interactive user interface
09:39 comprising at least one user interface element.
09:39 What does that mean? You have a device
09:39 that has a screen and you present an interactive user
09:39 interface on that screen.
09:39 That is nothing more than simply saying
09:39 you plug a laptop, you could plug a desktop computer, a
09:39 DVD player, a PDA into another device that has a
09:39 screen. Saying that you're doing it on a terminal
09:39 cannot possibly make the claims any less abstract.
09:40 And now, in the '584 patent, counsel did

not bring this up today, but in the briefing, they argue about the fact the '584 patent recites a key exchange between the terminal and the portable device.

The only thing that a key exchange is is a way to establish trust between these two devices. And all this claim simply says is that -- perform a key exchange. It doesn't give any details on how the key exchange is performed, and there's absolutely no allegation that Mr. McNulty invented any sort of new type of key exchange or any unique key exchange that would be an improvement to computers.

And so the claims here are nothing more, again, than an abstract idea if you have a portable device that can connect to a separate device and what's happening on a portable device, you can go ahead and see it on the screen of the terminal.

That is an abstract idea and the claims add nothing more to that. And again, that is not an improvement to computers. People have been doing that in your courtroom for likely decades. It's just the way people use electronic devices.

And the pieces and parts that allow that to happen were not invented by Mr. McNulty, and there's no allegations to the contrary from IOENGINE.

And so because we do have an abstract

idea here, we believe that the inventive concept should go to the jury as this Court has done in at least two other cases, the Freshub v. Amazon case which is 21-CV-511 -- Docket 253, I believe, is the jury instruction there -- and then Sure (sic) v. Google, it's 19-CV-663 at Docket 217 where again this Court has allowed the inventive concept question to go to the jury. And that is what we're asking here.

Quickly we can turn to that inventive concept, and that is on Slide 4.

And so IOENGINE's purported inventive concept is a processor on a portable device -- and I'm quoting from their briefing. This is Docket No. 255 at 8. A processor on a portable device configured to execute specified program code in response to communications resulting from user interaction with an interactive user interface on a terminal.

But the glaring problem with this articulation of the purported inventive concept and why there is none here and why there is no distributed computing is that the claims actually do not require the terminal to be running the interactive user interface. All the claims require is that you see the interactive user interface on the terminal. You see it on a monitor or another device like that.

09:42 So there is no actual distributed computing happening there. You fall right back to the basic abstract concept that everyone walked in here with a laptop today, you took a cable, and you plugged it into an outlet so that you could see what's happening on that laptop on a separate screen.

09:43 That's the abstract concept of the claim. The details in the claim do not recite any sort of inventive concept beyond that abstract concept.

09:43 And for those reasons, we believe that this decision is just like Electric Power v. Alstom by the Federal Circuit 830 F.3d 1350 at 1355, where -- when you have a scenario where nothing in the claims require anything more than off-the-shelf conventional computer technology, networking and display technology, so that you can gather, send, and process data, that is not an inventive concept.

09:43 And so, again, we believe that IOENGINE's motion of no invalidity under 101 should be denied and that the Court should allow the inventive concept question to go to the jury again as it did in the Freshub v. Amazon case and the Google case that I cited to earlier.

09:44 And if Your Honor has no further questions for me, I will give the remainder of my time

to Mr. Gaudet.

MR. GAUDET: Thank you. And may it please the Court.

THE COURT: Yes, sir.

MR. GAUDET: Matt Gaudet. I'm in the Atlanta office of Duane Morris, although I grew up in Lafayette, Louisiana, just about five and a half hours down I-10.

I'm going to shift gears a little bit. And this is our motion on -- for invalidity on the written description issue.

While it's a different issue, it very much ties into the argument you just heard because the difference between the claims that were the subject of those prior 101 decisions where the Court said, all right. As a matter of law, there's 101, that you can satisfy 101. Difference between those claims and these claims is precisely what's not described in the specification.

And it -- the two -- the two match up perfectly. The fundamental issue is whether or not the specification describes a portable device, which is the T-C-A-P, or the TCAP, that can directly connect to a communication network so that the portable device can get online all by itself.

09:45 Does the specification disclose that, or does the specification only disclose the portable device getting online by first connecting to the terminal or the access terminal?

That's the tunnelling notion, but it's just the connection between the portable device and the terminal, and the terminal has to be online. And without that terminal being online, the portable device can't get online.

And the point of the motion is that's the only thing that's described. For the first 15 years of continuations of this patent, that's what the claims cover. And that includes the orders you just saw on the 101 motion.

And then in 2019, for the first time, they drafted claims that were broad enough to capture the notion of the portable device all by itself getting online.

And as you read the briefs, you'd almost have the impression that this was sort of an oversight or kind of a mistake. But for precisely the same reasons you saw in the very first slide of the 101 presentation, the reason that the portable device doesn't get online itself is the very essence of the invention.

I actually -- I have a quote up here on the left from their reply on the 101 brief. It's the same language that you saw them put up from the 101 orders, which are talking about existing computer environments being bulky, requiring too much power, require great processing resources.

And then on the right, I put the language from the specification. It says that that current computer environment was a PDA, a 2004 PDA that could pretty much fit in your hand, which is why the example was a PalmPilot. A PalmPilot was too big, took too much processing resources, and took too much power.

And so the solution and the thing describing the specification was a portable device, and I underlined it in green here, that took less power and was more like a thumb footprint.

That's why it's no accident that this specification never describes a portable device that could itself get online. That's just fundamental to the whole point of the invention.

Now I'm going to go through the details. Instead, what it says -- and this is Column -- this is from Column 4. If the AT -- that's the terminal -- is connected to a communication network, 113, then the TCAP, the portable device, may then communicate beyond

the AT or the terminal. And then it goes into different embodiments.

And then in Column 9, we see the flip side. Well, what happens if the terminal is not online?

And it says: If the AT is not online, the TCAP may provide options for the user not including online services.

And this is everywhere in the specification.

The next slide explains the reason for this. Because you would tunnel the data through an AT, across a communications network, to the remote services without requiring its own complicated set of peripherals and I/O.

And again, as they told you in the 101 motion, the whole supposed magic of this invention was getting the processing and -- getting particular sorts of processing off of that portable device, making it smaller, and getting it, instead, over to the terminal.

So what they have to do, much like with the plaintiff had to do in the -- in Your Honor's Flash-Control case is mix and match disclosures in a way that's not at all described or intended in the specification.

09:49 In particular, they're mixing and matching Figure 9 and Figure 10, but those are fundamentally different components.

09:49 So what we've got here on this slide -- and the top is Figure 1. This is taken from our brief. That's got the three basic components here. The portable device is -- we highlighted it in green in the upper right. The terminals are in red in the bottom right. And then what's called a TCAP server. This is an online server that is accessed over a communication network that the portable device can communicate with. That's in blue.

09:49 So the description of this says: Figure 1 illustrates embodiments for a topology between a tunnelling access point, TCAP.

09:49 So we've -- this is now Figure 10. This is showing TCAP, a portable device. We used the same color scheme. So it's obviously not to scale. But the green stuff is the portable device. You see it connects to the red. That's the terminal. The red has a connection that we put in yellow up the communication network. And that's what then communicates with the server. That's Figure 10.

09:50 Then it says: The TCAP server, TCAPS, is Figure 9.

09:50 So now we've got Figure 9. And we sort of blew up the bottom. And to be clear, that's the tunnelling client access point server. This is the thing that lives in the cloud. It's online.

09:50 Now, that certainly does have a direct connection to the communication network, but that's because it's a server on the back end and it's not a portable device.

09:50 And so we certainly agree, Figure 9, this online server specification, as you see in this slide, discloses it's got a communication network. The network interface here connects to the communication network.

09:50 It can have peripheral devices. Figure 9 does all those things. But Figure 9's not Figure 10. Figure 10 is the portable device. And this language on Column 22 says -- we've highlighted the first part: Much of the description of the TCAPS -- the server -- of Figure 9 applies to the TCAP -- a lot of these modules and things like that -- and as such, the disclosure focuses more upon the variances -- the differences -- exhibited in the TCAP.

09:51 The next paragraph says the first one is that the TCAP or the portable device has to be small. Of course it has to be small, because that's the whole

point of the invention.

And then the next one is just point blank, the next variance is that -- we underlined this at the bottom -- the TCAP controller may be connected to or communicate with entities such as, but not limited to: One or more users from an access terminal.

And that's what you see in the dotted lines that go from the green to the red.

And then: The access terminal itself may be connected to peripherals and/or communications network, 1013, like Figure 9. And that's the yellow that goes up.

That's the difference. The portable device cannot get online by itself. It can't access the communications network.

And it repeats these differences. It talks about -- and you can have the operating system allows you to access things through an access terminal.

And what I've got that -- what they're relying on, in large part, is simply the say-so conclusory declaration of their expert Dr. Shamos, who just says, well, Figures 9 and 10 can kind of be put together.

And a conclusory declaration that just says that is not entitled to any weight because the

specification says what it says.

And the punch line is the specification never says that anything in Figure 10 could directly connect with a communication network and get online by itself. It doesn't exist. You would have to mix and match and it becomes a detective story that's not allowed.

This is what they rely on, though. That there is a network interface in Figure 9. No doubt about it. It's item 1010, it shows is a network interface. And that network interface is what connects with the access terminal. The fact that you're a network interface doesn't mean you get online.

The question is, what is the network? And this instance, it's very clear: It's network of two. It's the portable device and the terminal and that's it. That's all that's shown there.

And then in -- and there's also disclosures of that connection being wireless. So it could be a Bluetooth chip or something else like that, and it could also include peripheral devices. Absolutely. That could all happen.

But there's never any suggestion that there would be a wireless connection to the communications network that would get you online. And

quite frankly, that would take this thing from a PDA into like a -- something the size of a backpack.

I mean, to put that kind of processing power on something in 2002, you're moving, you know, 180 degrees away from the invention. I don't have to prove that. The point is, that's why it's no mistake or oversight that you will not find that type of a disclosure in the specification.

And in fact, Column 3 says it point blank: The wireless connection is connecting the TCAP and the server.

Dr. Shamos again posits that someone of ordinary skill in the art would understand that Bluetooth and WiFi provide Internet access. That's great. But the whole point of the invention is you would never do that on something that's supposed to be the size of a thumb drive.

It -- that's why the specification is moving in exactly the opposite direction, which is we are using the online connection of the terminal, not of the portable device.

Two other sets of points and then I'll be done.

They rely on this language about the portable device connecting across the network. As

09:55 they're sort of picking different phrases in the
09:55 specification.
09:55 And what you'll see is, not only does
09:55 that not mean you're connecting directly, but as you
09:55 read the language around it, it's crystal clear that
09:55 connection is through the terminal.
09:55 So they are citing this language in the
09:55 top quote that talks about -- there's a -- the TCAP has
09:55 a unique digital certificate and it's used for purposes
09:55 of verification and encryption across a network.
09:55 Well, a column and a half later, it uses
09:55 the same language to explain how that happens. The
09:55 TCAP can access and communicate with an attached access
09:55 terminal and beyond across a communications network.
09:55 But it's actually easier than that.
09:55 Because in the very thing they're citing, two sentences
09:56 earlier, it says the way that happens -- and I
09:56 underlined it in green here -- is through the
09:56 cryptographic server, 1020, as described in further
09:56 detail below.
09:56 That further detail below says -- and
09:56 this is the bottom of the slide: The TCAP employs the
09:56 cryptographic server to encrypt all data sent through
09:56 the access terminal.
09:56 We would be entitled to summary judgment

09:56 if it was silent. But it's not silent. It's unambiguous that this always goes through the access terminal.

Last thing I'm going to do is go through the very last paragraph of Dr. Shamos' report. He throws in three cites to say the specification actually discloses the portable device getting online. And when you look at these three cites, again, what's so remarkable is he takes language that he thinks maybe is kind of silent, and when you look around it, the language says exactly what we're saying. It's crystal clear. It has to go through the access terminal.

First example is Column 12. He says it describes the TCAP processing the files and uploading them to the back-end servers. So I underlined that language. TCAP processing the files and uploading them to the back-end servers.

But just a few sentences earlier in that same column, it said: As has already been discussed, initially in any of the environments, after engaging the TCAP to an AT. And then it goes on.

And, again, this one actually gets easier still. Because the part he didn't quote says: As has already been discussed in Figures 5 to 6.

So the bottom of the quote I've got on

09:57 the bottom of this slide says: Figures 5 to 8
09:57 illustrate embodiments of facilities, programs and/or
09:57 services that the tunnelling client access point and
09:58 server may provide to the user as accessed through an
09:58 AT. Through the terminal.

The next one, he cites to Column 10 and says: Online access to data may be facilitated through HTTP protocols. And he says, there you have it. That must mean it's doing it by itself.

Again, silence is not enough. But we don't have silence here. Because they omitted the word "such." Such online access services.

And previously -- or in the previous column, it said, if the AT is not online, the TCAP may provide options for the user, not including online services. It's unambiguous. No AT, no online.

The last one, and then I'll be done here, is he cites Column 25. Describing a TCAP operating system that enables interaction with both an access terminal and communications network. That's what he says.

This is the whole column that's up there and the last phrase. May -- the operating system may provide communications protocols that allow the TCAP controller to communicate with other entities through

an access terminal.

Unless they can show you, Your Honor, where the specification says the portable device gets online by itself, the portable device is connected to communications network, Your Honor, we believe that this is like the previous case where you've granted summary judgment.

That's what I've got. Thank you.

THE COURT: A response?

MR. LEIBOWITZ: Thank you, Your Honor. May it please the Court.

I submit, Your Honor, that counsel for Roku began their argument with a suggestion that IOENGINE mixes and matches parts of the specification to prove its point. I think what you just heard, Your Honor, was counsel for Roku mixing and matches places in the specification trying to prove its point.

Now, let me -- I think my slides are...

Roku's argument with respect to written description, Your Honor -- I'm sorry. I'm having a technical issue.

I apologize, Your Honor.

Roku's argument with respect to written description about the lack of a network interface on the portable device is unusual. And here's why.

10:01 The specification explicitly says that the portable device can have its own network interface. Here's the part from Column 24 of the specification. It's in the part of the specification describing the portable device. And it says: In one embodiment, an optional network interface may be provided.

And that's unit 1010. It's in Figure 10, in the TCAP figure of the portable device.

Not only that, but the specification expressly describes what network interfaces are. And for this, Your Honor, we are harkening back in the specification to what's described with respect to a network interface in Figure 9.

But that's because that's where the specification talks about what network interfaces are. It doesn't need to re-explain that term in Figure 10, because it already does it with respect to Figure 9.

In Figure 10, it says, a portable device may have an optional network interface. It describes what network interferes are. It says: They may accept, communicate, and/or connect to a communications network. They can employ protocols such as Ethernet or a wireless connection such as IEEE 802 or the like.

So it's correct the specification doesn't recite again this entire description of what network

10:02 interfaces are, but it does so by saying, as counsel
10:02 for Roku put up on the screen, that much of what's
10:02 recited with respect to Figure 9 also applies to the
10:02 portable device, to the TCAP, and by saying that the
10:02 TCAP can have an optional network interface.
10:02 Furthermore, the specification provides
10:02 examples of what the wireless component -- of the
10:02 wireless component on the portable device.
10:03 And it talks about -- again, this is from
10:03 Column 24, where they're talking about the portable
10:03 device, not the TCAP server: In one embodiment, a
10:03 wireless component may comprise a Bluetooth chip
10:03 disposed in communications with a transceiver.
10:03 And it goes further. It talks about in
10:03 another embodiment -- again, talking about the TCAP
10:03 itself, the portable device, not the server: In
10:03 another embodiment, both a Bluetooth chip and an IEEE
10:03 802.11b wireless chip may be used to communicate and/or
10:03 bridge communications with respectively enabled
10:03 devices.
10:03 Doesn't say that the Bluetooth chip or
10:03 the WiFi chip is only used to communicate with the
10:03 terminal. It says the Bluetooth chip or a wireless
10:03 chip can be used to communicate with respectively
10:03 enabled devices, plural.

10:03 And then it talks about the transceiver, we just saw with respect to Bluetooth: It should further be noted the transceiver, 1043, may be used to wirelessly communicate with other devices powered by Bluetooth chips and/or IEEE 802.11b chips, WiFi chips, or the like.

10:04 So the specification explicitly points out in the section of talking about the portable device that I can have a Bluetooth chip. And it even says a number of Bluetooth chips are commercially available. And if WiFi is wanted, IEEE 802.11b functionality is required, a number of chips are commercially available for that.

10:04 So the specification talks about the portable device having a Bluetooth or WiFi chip. It talks about commercially available Bluetooth or WiFi chips.

10:04 And so it doesn't just talk about the portable device using Bluetooth or WiFi to connect only to a terminal. It expressly talks about using those technologies to communicate with other respectively-enabled devices.

10:04 And of course, that's exactly how those technologies work. If you have a WiFi chip in your phone, it's going to connect to a WiFi access point in

your house or in this courtroom, and it's then going to connect to other devices that are on that network.

And that's what Dr. Shamos explains in his report. It's not at all conclusory what counsel just said. I'll take you through in a minute.

But as Dr. Shamos explains in his report, although Bluetooth, for example, is not predominantly used this way today, in 2004 there were Bluetooth access points which functioned the same way to connect devices with Bluetooth chips to the Internet.

Again, here's -- you know, it's -- Dr. Shamos is not conclusory. He cites specific access points that existed at the time and says that a person of ordinary skill in the art would understand that Bluetooth access points that provided Internet access were also available around the time of conception, and he cites examples.

And he talks about what a person of ordinary skill in the art would understand from that and understand that if the specification says the portable device can have a commercially available Bluetooth chip and that there are commercially available Bluetooth access points out there that were known, that a person of ordinary skill in the art would understand that to mean that that device can

10:06 communicate through a Bluetooth access point to the Internet.

And they don't cite any evidence showing that in 2004, a person of ordinary skill in the art would read the specification that says that the portable device can have its own network interface, that it could connect or communicate -- a network interface that can connect or communicate to a network using, for example, 802.11 or Ethernet or WiFi or Bluetooth chips, and that the portable device can have its own commercially available chip for Bluetooth or WiFi would not understand that the inventor was in possession of a portable device having its own network interface. And that's what they have to show.

Here we have a quote from the Pozen case, Your Honor, in the Federal Circuit: The patent specification is written for a person of skill in the art and such person comes to the patent with knowledge of what has come before. Placed in that context, it is unnecessary to spell out every detail on the invention in the specification; only enough must be included to convince a person of ordinary skill in the art that the inventor possessed the invention.

So the specification is written for the person of ordinary skill who would understand that

10:07 having a commercially available WiFi chip means that
10:07 that device can connect to the Internet.
10:07 Instead, their argument is built on the
10:07 fallacy that notwithstanding these express descriptions
10:07 about portable device, that somehow the specification
10:07 excludes the possibility of a portable device having
10:07 its own network connection, right?
10:07 That's what their argument is. That --
10:07 that's what counsel just went through saying, oh, in
10:07 this case, the portable device goes through the
10:07 terminal. In this case, it goes through the terminal.
10:07 Right.
10:07 The problem for that argument, Your
10:07 Honor, is that that's all discussing embodiments,
10:07 particular examples that are in the claim -- that are
10:07 in the specification. And they rely on two things to
10:07 try to get them there.
10:08 First, they point to Figure 10, which
10:08 they say -- in which they say the network connection
10:08 goes through the terminal.
10:08 But again, the specification, when it
10:08 talks about Figure 10, it says: Figure 10 is a block
10:08 diagram illustrating embodiments of a tunnelling client
10:08 access point controller.
10:08 Yes. There are -- Figure 10 shows

10:08 embodiments or examples. And it shows an example where the portable device has a network interface. That's Unit 1010. It shows the portable device having a Bluetooth chip and a WiFi chip.

And even if Roku is correct that in the particular example illustrated in Figure 10 there's communication with the terminal using Bluetooth, that doesn't mean that a person of ordinary skill reading the specification that disclosed all the things I just showed you, having a portable device having its own commercially available Bluetooth or WiFi chip, would conclude that the patentee only had possession of an invention where the portable device operated the way it did in the example of Figure 10.

And we've cited a couple of cases from the Federal Circuit as well talking about even a single representative embodiment can support written description of a claimed genus.

In the Bilstad case: The Court has continued to apply the rule the disclosure of a species may be sufficient written description support for a later claimed genus including that species.

The fact that you have a -- one way of connecting, even according to Roku, at the very least there is an understanding that using the WiFi chip or

10:09 the Bluetooth chip or the network interface, the portable device can connect to the Internet through the terminal -- that's Roku's argument as one example -- that doesn't mean that the -- that the written description is limited to that example.

A disclosure of a species can be sufficient written description support for a genus that includes that species.

Just like the Bilstad court found in that case, here, Roku provides no analysis of what one skilled in the art would have understood from the disclosure or the -- and this is a quote from the Federal Circuit -- or the degree of predictability of technical variations in the field of art.

Okay. There's no -- there's no insinuation here from Roku nor could they make it that this is a case like a pharmaceutical case or a field where the art is unpredictable. Here, a person of ordinary skill in the art, seeing the examples and seeing what the specification talks about, the device having its own WiFi chip and Bluetooth chip, would clearly understand that that device can get to the Internet on its own or get them to a network on its own.

Because Roku's argument for the lack of

10:10 written description runs up against the specification's
10:10 explicit disclosure, what they -- what they -- they
10:10 need to prove -- what they would need to prove is that
10:10 a person of ordinary skill would come to the conclusion
10:10 that, notwithstanding everything in the specification,
10:11 the only thing of the specification is that the
10:11 portable device's network connection must go through
10:11 the terminal.
10:11 But again, Your Honor, we talked about
10:11 this a little bit with respect to tunnelling, that's
10:11 not what the specification says. The specification
10:11 does say -- the specification explains what it means by
10:11 tunnelling. This is the quote we saw before with
10:11 respect to the 101 motion.
10:11 And it does say that the TCAP can, right,
10:11 also the TCAP may tunnel data through an AT across a
10:11 communications network. That doesn't mean it must do
10:11 it that way. It may do it that way.
10:11 But what the specification means by
10:11 tunnelling is that data is provided from the portable
10:11 device to the user through the terminals input/output,
10:11 the I/O, for example, displayed on the terminal's
10:11 output component for the user to observe without the
10:11 data actually residing on the terminal.
10:11 And that's what the specification means.

10:11 When counsel's talking about, oh, the whole point of
10:11 the invention is that it means that the portable device
10:12 can't have its own network interface, that's incorrect.
10:12 But the point of the invention is and
10:12 what the invention when it's talking about tunnelling
10:12 means is that you have data that's provided through the
10:12 terminals input/output for the user to observe without
10:12 it actually residing on the AT and that much of that
10:12 data may not even reside on the TCAP. It may reside on
10:12 the servers or the servers' storage facilities.
10:12 Now, I'll try to skip ahead a little bit,
10:12 Your Honor, in my argument.
10:12 But the other point here, Your Honor, is
10:12 that by arguing that the specification only includes
10:12 the possibility of portable device going to the network
10:12 through the terminal, what Roku is really doing here is
10:12 reopening claim construction.
10:12 This is exactly the argument that they
10:12 made in claim construction. They say in their brief
10:12 that that's not true, but here's the argument from
10:12 their claim construction brief, right.
10:13 They say: Additionally, if the access
10:13 terminal is connected to a communications network, such
10:13 as the Internet, the access terminal provides the
10:13 portable device with network connectivity.

10:13 In fact -- this is again Roku's brief. In fact, this is the only way disclosed in the specification for the portable device to gain network access.

10:13 And that -- and they quote the same part of the specification that they quote in their slides to Your Honor: If the access terminal is connected to a communications network, the portable device may then communicate beyond the access terminal.

10:13 Okay. This was their claim construction argument. And that's what they're essentially rearguing here with respect to the terminal needing to provide network access to the portable device.

10:13 But this Court rejected that read. What this Court said in claim construction is: Defendant has not shown that there's a clear indication in the intrinsic record that the patentee intended the claims to be limited from limitations from a preferred embodiment.

10:13 This Court rejected that read of the specification and rejected, in fact, the exact passage that Roku relies on, the "may then communicate" language, and found instead that the claims are not limited to what's -- to what's shown in the embodiment. And that's exactly the point here.

10:14 We don't dispute that there are examples in the specification where the portable device does use the terminal network interface. But because Roku's argument for lack of written description is that the only way for it to read the spec is that the network connection goes through the terminal, Roku needs to prove that a person of ordinary skill in the art would come to that conclusion.

And this Court rejected that very argument at claim construction, and it's not better now.

And so we think Roku's motion on this ground should be denied as a matter of law. But at a minimum, the question of whether a person of ordinary skill in the art would read the specification which again explicitly discloses the portable device having its own network interface that connects to a communications network, that's what network interfaces do according to the spec, and that that could be a WiFi or Bluetooth chip to wirelessly communicate with "respectively enabled devices," whether a person of ordinary skill would nonetheless conclude from examples that the portable device can only connect to the Internet through a terminal is at the minimum a factual dispute for trial.

10:15 Dr. Russ, their expert, says a person of ordinary skill in the art would read the spec that way. And Dr. Shamos, our expert, says that's wrong. And a person of ordinary skill in the art in 2004, reading the specification, would understand that having a commercially available WiFi or Bluetooth chip, the portable device could connect to a network itself without going through the terminal.

Thank you, Your Honor.

THE COURT: A brief response?

MR. GAUDET: Your Honor, Matt Gaudet. Let me -- Defendant 2.

There's just three points I want to make.

The first one relates to the first of the only two things he pointed to as his supposed disclosure. Which was the existence of network interface, which you see it's network interface 1010, is just to the left of that big red arrow there on the portable device. Stipulated. There is no doubt that the portable device has a network interface. That's never the question.

The question is, what does the network interface connect to? And the difference it describes between Figure 9 and Figure 10 is that in Figure 10, the network interface connects with the access terminal

10:16 or peripheral devices and that is it. As Point No. 1.

10:16 Point No. 2, and this is the only other thing that he points to. This is it. Is the wireless connection language. He says, and he's quoting now, I've got it up on the screen here. The -- that you could access wirelessly, right, other wirelessly enabled devices.

10:17 Now, speaking of the Markman, I mean, the Markman order actually on Page 14 literally went through the language on Column 3 and said this is talking about a wireless connection between the portable device and the terminal.

10:17 But more fundamentally, he showed you exactly what's missing. The only way you could get from a portable device to the Internet, get it online, would be if you had -- and he said it -- an access point. You would need a WiFi empowered access point. You'd have to have a TCP/IP stack on the portable device.

10:17 That's the stuff that doesn't exist anywhere in the specification. It's nonexistent. It's nowhere in Figure 10. It's not even in Figure 9.

10:18 He showed you precisely what you would need, and the Federal Circuit is crystal clear that you cannot do what he just invited you to do. Namely, fill

10:18 in the missing component. It's not there. And that's
10:18 game over.
10:18 And that was it. For all of the talk,
10:18 those were the only two components he pointed to.
10:18 Last thing. He talked about embodiments
10:18 and the notion of embodiments and what happened in
10:18 claim construction. And respectfully, he kind of has
10:18 that backwards.
10:18 Claim construction is how they created
10:18 this problem for themselves. And often -- and I think
10:18 I've seen district courts describe this as "be careful
10:18 what you ask for."
10:18 It is precisely because these claims were
10:18 not limited to the disclosed embodiments, which is
10:18 standard in claim construction, that they are so broad
10:18 that they go beyond what is supported by the written
10:18 description. Right?
10:18 If we get one claim construction, I'd be
10:18 here making a noninfringement argument to you. But
10:19 it's precisely because they're broader than the
10:19 embodiments. And what he has to show you now is the
10:19 example that goes his way. And he can't. Because it
10:19 doesn't exist.
10:19 And this is -- the Power Oasis case from
10:19 the Federal Circuit I think is the perfect example,

10:19 where you've got two devices that are remote from each other. And the phrase was customer interface and which one was it on?

Of course somebody could have designed one where you put it on either of those things. That's not what the invention was. So it was summary judgment of no written description.

And respectfully, Your Honor, we ask for that result here as well.

THE COURT: Thank you.

(Off-the-record bench conference.)

10:20 THE COURT: Okay. The Court is going to -- with respect to the plaintiff's motion for summary judgment of no invalidity due to patent ineligible subject matter under Section 101, the Court is going to grant that.

There was sort of a subliminal motion by defendant to say that it was invalid, which I think is mostly because you have to say that to say they're wrong. But to the extent that there was a motion filed implicitly even by the defendant on 101, I'm denying that.

With respect to the argument I just heard, motion for summary judgment with respect to written description, I'm going to deny that.

10:21 Next up I have the motion -- the IOENGINE's motion to strike certain opinions, witness declarations, and et cetera.

Give me one second on that.

(Off-the-record bench conference.)

THE COURT: I'm going to -- because this is a motion to strike and we have moved the trial date, I'm going to deny the motion. And if there is additional discovery or whatever needs to be done to fix these declarations and get the evidence, I'm going to allow the parties to do.

Next I have Roku's Daubert motion to exclude opinions of Dr. Shamos related to alleged conception. I'll take that up.

MR. RICCIUTI: Thank you, Your Honor. Christopher Ricciuti again on behalf of defendant Roku. And may it please the Court.

I think this argument will be fairly short and straightforward, Your Honor.

So the issue here is that IOENGINE's main piece of evidence allegedly corroborating Mr. McNulty's conception of the invention here is a document called Portable Devices Rule. And I will refer to that probably throughout my talk as the PDR document for short.

10:23 And that document is Exhibit A-1 to Docket 188.

That PDR document has holes in it. Now, IOENGINE tries to fill the holes in this document with testimony of their technical expert Dr. Shamos under the guise of a person of ordinary skill in the art.

Now, the parties present differing views on how the perspective of a person of ordinary skill in the art plays into this analysis, and I won't go through that here. I think that's been adequately described in the briefing.

But what's clear is no matter what perspective or what influence the perspective of a person of ordinary skill in the art can play, Dr. Shamos himself cannot step into the shoes of the inventor or manufacture corroboration evidence out of whole cloth, which is only going to lead to jury confusion, and that's exactly what happened here.

And I think the best example of that is with respect to the mention of Bluetooth in the PDR document. And the PDR document mentions Bluetooth as a potential way to have a portable device connect to a computer like a terminal.

The PDR document, what it doesn't do, is it does not mention the Bluetooth specification at all.

10:24 There's no evidence that Mr. McNulty, the inventor, even had any idea that there was a Bluetooth specification in existence.

The portable devices rule document or the PDR document does not mention a key exchange happening between the portable device and the terminal. And that's a requirement of all claims in the asserted '584 patent.

The portable devices rule document or that PDR memo does not mention streaming video using Bluetooth. All of which Dr. Shamos goes and says, well, that's okay, because I can find that in the Bluetooth specification. But that can't possibly be right.

In order to do that, Dr. Shamos is pointing to a document from 2008 or 2009, which is years after when these patents were effectively filed, to say that, well, Mr. McNulty would have had possession of key exchange, he would have had possession of streaming video, and I get that all from the specification.

The Bluetooth specification is not part of the PDR document. The Bluetooth specification is not mentioned in the PDR document. There is absolutely no hook in the PDR document that would give a person of

10:26 ordinary skill in the art any sense that Mr. McNulty
10:26 was trying to incorporate any teachings from that
10:26 specification into the document.
10:26 And so all we have is 20 years later, an
10:26 expert coming in and saying, well, if you look at the
10:26 specification that post dates the patent by five years,
10:26 maybe I can find some support in there. And somehow a
10:26 person of ordinary skill would have been able to look
10:26 into the future and know what was coming in the
10:26 pipeline and incorporate that back into somehow the
10:26 inventor having possession.
10:26 It simply makes no sense. It's
10:26 incredibly confusing. And so our request here is that
10:26 we would request that Dr. Shamos not be allowed to
10:26 offer testimony about third-party documents that have
10:26 no relation to Mr. McNulty's purported conception.
10:26 It's only going to confuse the jury and it would be
10:26 improper.
10:27 THE COURT: Unlike everything else they
10:27 hear.
10:27 (Laughter.)
10:27 MR. RICCIUTI: Exactly. That's very
10:27 true. But this would be even more confusing to the
10:27 point where I think it would be --
10:27 THE COURT: This moves to a higher level

10:27 of confusing that's not standard in all the other
10:27 patent --
10:27 MR. RICCIUTI: It's beyond standard
10:27 patent confusing talk. Absolutely, Your Honor. Which
10:27 I believe that the Daubert should be granted.
10:27 Thank you.
10:27 MR. CHUEBON: Good morning, Your Honor.
10:27 THE COURT: If you would give me just one
10:27 second.
10:27 (Off-the-record bench conference.)
10:27 THE COURT: I don't need a response. I'm
10:27 going to deny the motion.
10:27 Next up I have the motion to exclude the
10:27 opinions of Walter Bratic.
10:28 MS. FENTON: Good morning, Your Honor.
10:28 THE COURT: Good morning.
10:28 MS. FENTON: Tia Fenton of Duane Morris
10:28 on behalf of Roku.
10:28 Your Honor, I'll be addressing Roku's
10:28 motion to exclude certain opinions of Mr. Bratic and
10:28 Dr. Shamos. And the relevant Docket numbers are 202,
10:28 219, and 249.
10:28 For the purpose of oral argument today,
10:28 Your Honor, I'm only going to focus on one issue for
10:28 Mr. Bratic's report, which is the most problematic.

10:28 And that's Mr. Bratic's apportionment Step No. 1.

10:28 By way of a brief background, Roku produced over 100 survey documents, but for this apportionment step, Mr. Bratic and Dr. Shamos only relied on one.

10:29 As you can see, this survey is a new user survey from 2002. It only surveyed first-time Roku users, which is a very small subsection of the people actually using the accused products. Actually less than 1 percent.

10:29 This survey is only representative of a one-week period in October of the entire damages window which span from 2019 to 2023.

10:29 And the survey does not cover all of the accused products. There are at least 11 accused products in this case, and this survey only covers five of them.

10:29 Mr. Bratic describes this survey as the most comprehensive marketing survey provided by Roku. But even if that is true, Your Honor, it does not make it an appropriate basis for apportioning damages.

10:29 THE COURT: Why is this use of just five not okay?

10:29 MS. FENTON: Because it's not representative of all the accused products in --

10:29 THE COURT: Says who?

10:29 MS. FENTON: I think it's clear from -- if IOENGINE accuses 11 or more products and only 5 are represented from the single piece of evidence that he's relying on for his apportionment, it's by nature not representative of all the accused products.

10:30 THE COURT: I mean, he's an expert. He's going to say -- I'm assuming in his report, he says, here's why I think these five are representative or whatever he says. He's done this a long time.

10:30 I mean, it sounds to me like you're saying is logically it's just not okay, but that doesn't sound like an appropriate Daubert standard to me that it's an inappropriate methodology.

10:30 MS. FENTON: Your Honor, it's our opinion that it is an inappropriate methodology.

10:30 THE COURT: Well, I know it's your opinion. You don't like anything he did. But I'm -- but why is -- I heard all the little things you said and you're unhappy with the way he did it. When I was a lawyer, I was unhappy with the way the other experts did things.

10:31 I don't understand where -- from where do you get the standard that you can't use a subset of the number of accused products?

10:31 MS. FENTON: I think in this instance, Your Honor, the main problem is that this particular survey was cherry-picked from a number of surveys that were produced. And there are other surveys that were produced that show different results --

THE COURT: Are those the ones your expert used?

MS. FENTON: -- the same accused products.

Excuse me?

THE COURT: Did your expert use those?

MS. FENTON: Yes. Our expert relied on those.

THE COURT: And so they could get up and say they're not happy with the surveys that your gentleman used, right?

MS. FENTON: That's correct, Your Honor.

If I could -- Your Honor, if I could move to the second point of the argument.

THE COURT: Sure.

MS. FENTON: Thank you.

IOENGINE's technical expert, Dr. Shamos, as you know, identified 11 features from the survey that he says are attributable to the patents-in-suit.

10:32 And as you can see on the right of the

10:32 screen, Dr. Shamos says that it is because of the asserted patents that the accused products offer things like lots of free shows and movies. They have specific apps or channels and offer live or local TV.

The issue here, aside from the fact that it's not clear how most of these features are actually tied to the patents-in-suit, is that a number of these features are also present on Roku's noninfringing products, like the Roku TVs and the Roku sound bars. And this is because all Roku products have the same operating system and function in the same manner.

For instance, all Roku products have the same user interface and you can get the same apps on both the accused and nonaccused products.

And so if all of these 11 features identified in this survey are truly tied to the patents-in-suit and not the overall Roku operating system technology, then they should not be equally present in the noninfringing products, such as the Roku TVs, like they are.

Your Honor, it's undisputed among the technical experts in this case that at least 6 of the 11 features are common to both the accused products and products that are noninfringing, like the Roku TVs.

Mr. Bratic and Dr. Shamos here are

10:33 improperly conflating the benefits of the patented technology with benefits of overall technology based on the shared Roku operating system. And this results in an improperly inflated damages number.

It's Roku's position that this marketing survey as a whole is not a reliable method for apportioning damages, and Dr. Shamos and Mr. Bratic should be precluded from relying on it.

But based on Your Honor's comments about the survey, if the Court is not inclined to do that, Roku requests that at least these six features on the screen be removed from Mr. Bratic's first apportionment calculation and damages be adjusted accordingly, because these features are not uniquely tied to the patent and both experts agree that they are common to accused and noninfringing products.

Thank you.

THE COURT: Thank you. I look forward to hearing you cross-examine him on all those points. I'm going to deny the Daubert motion.

Next up I have -- oh, what a surprise. You'd like to Daubert their damages expert.

(Laughter.)

THE COURT: Okay.

MR. LEIBOWITZ: Yes. Thank you, Your

10:34 Honor.

10:35 Thank you, Your Honor. And I'll try to be --

10:35 THE COURT: What I'd like to hear from you most on -- and you can argue whatever you -- the issues I'd like to hear you focus on are the use of sound bars and stream bars as noninfringing alternatives. And also the issue of the downward adjustment for advertising, I'd like to hear. I don't need any argument with respect to the licenses.

10:35 MR. LEIBOWITZ: Okay. Your Honor, thank you.

10:35 If I can have one second to get to that part of my outline, I'd appreciate it.

10:35 THE COURT: Sure. I'm going to try to limit this to the parts I understand.

10:36 (Laughter.)

10:36 MR. LEIBOWITZ: Thank you, Your Honor.

10:36 Here we are.

10:36 Okay. Your Honor, on the -- on the noninfringing alternatives point, Your Honor, what Ms. Kindler, Roku's expert, analysis needs to focus on is the infringer's need for taking a license.

10:36 And the problem is that with respect to most of Ms. Kindler's supposed noninfringing

alternatives, most of those are third-party products or platforms that have no benefit to Roku.

And if I try to advance my slides to where we are -- no. Sorry. No.

Sorry, Your Honor.

All right. Well, we'll forget the slide for now, Your Honor.

With respect to the sound bars, Your Honor, there, Roku's point on the sound bars is that those are a noninfringing alternative. But the problem for them, Your Honor, is that those products actually, the sound bars, were accused in this case.

And with respect to IOENGINE's position, those products are not noninfringing alternatives because they infringe, though we no longer are asserting them with respect to damages in this case because there was such little sales with respect to those products that we decided not to continue those in the case.

Go ahead.

THE COURT: So you had them in the case at first and you -- and you dropped them out but there was no indication on your part that they were dismissed because they weren't infringing. It was just the juice wasn't worth the squeeze.

10:38 MR. LEIBOWITZ: Correct, Your Honor.

Now, they will point to, I assume, part of Dr. Shamos, our expert's deposition in which he was asked about the sound bars. And he said, oh, they don't infringe. And then he -- but he then clarified what he meant to say was: I didn't mean to imply they don't infringe. What I meant was they're not accused.

Because we had at that point dropped them. And so we don't think that should then somehow make them noninfringing alternatives on the basis of that statement.

THE COURT: But he corrected that in the same deposition?

MR. LEIBOWITZ: In the same deposition, Your Honor. I would have the citation for you, but I apologize.

THE COURT: I believe you.

MR. LEIBOWITZ: Okay. With respect to the advertising point --

THE COURT: Actually, let me hear from them on this, because I'm particularly concerned about this issue.

MR. LEIBOWITZ: Thank you, Your Honor.

THE COURT: You bet.

MS. FENTON: Your Honor, with respect to

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10:39 the noninfringing alternatives, are you just
10:39 particularly interested in the sound bars, because
10:39 there's different categories of them?
10:39 THE COURT: I'm concerned about sound
10:39 bars and stream bars. Here's what -- I'm talking like
10:39 I know what I'm talking about.
10:39 From what we -- I read, the problem your
10:39 expert has is she includes as noninfringing
10:39 alternatives products -- I don't care to limit them,
10:39 but anything that she included that falls in the same
10:39 subset that the plaintiff had accused of infringement
10:39 and she's saying they're noninfringing alternatives.
10:39 It seems to me -- now, does -- what I
10:39 don't know and what I wanted to hear from you is, does
10:39 Ms. Kindler rely on something that your expert said
10:40 that said they were noninfringing?
10:40 MS. FENTON: Yes, Your Honor.
10:40 She -- and to just clarify the record a
10:40 little bit, Dr. Shamos said that the sound bars that
10:40 we're talking about, that they are not portable. And
10:40 so portability is a requirement. For the -- in the
10:40 claims, it has to be a portable device.
10:40 And so at a minimum, there's a dispute
10:40 among the two experts, Dr. Shamos and Roku's technical
10:40 expert Dr. Russ --

10:40 THE COURT: So there's a factual dispute about whether they're portable? The --

10:40 MS. FENTON: Well, no.

10:40 THE COURT: -- the noninfringing alternatives?

10:40 MS. FENTON: Dr. Shamos -- I think Mr. Leibowitz was referencing testimony that Dr. Shamos clarified in his deposition. I'm sorry. We're at a little bit of a disadvantage because it's not in front of us. But he cleared up some testimony about whether the sound bars were accused versus noninfringing, but what he said very clearly at one point in his deposition was that the sound bars are not portable devices and therefore not infringing.

10:41 And Dr. Russ --

10:41 THE COURT: So I'm going to go out on a limb here, but it seems to me that sound bars and stream bars, whether they're portable or not is not something that is an expert.

10:41 Is there something -- is there something about these -- I mean, if you ask me if my laptop was portable, I -- versus the computer -- I mean, I could tell what is portable and not.

10:41 What I'm trying to find out is there -- is there -- forgetting what Dr. Shamos may have said

and have to correct or whatever, is there evidence -- what did your damages expert Ms. Kindler rely on -- what affirmatively does she rely on to say that they are noninfringing alternatives because they are nonportable?

MS. FENTON: She relies on Dr. Russ, Your Honor, our technical expert.

THE COURT: And he -- in his report, it says they are portable -- they are not --

MS. FENTON: They're not.

THE COURT: -- they are nonportable and so she is not relying -- forgetting what Shamos said for a second. Her opinion is based on something that your expert is going to testify about, and that's her basis for saying that they are noninfringing alternatives?

MS. FENTON: Yes, Your Honor. Her basis is based on our technical expert's report, not --

THE COURT: Okay. Let me hear, then, from the plaintiff as to why I should strike her. Why -- if their expert is going to say that, why I should strike her on this point.

MS. FENTON: And, Your Honor, can I add very quickly?

THE COURT: Sure.

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10:43 MS. FENTON: Are we -- again, I would like to reserve the opportunity to discuss other noninfringing alternatives depending on your ruling. Because this is a very unique circumstance with only one category of products, the sound bars.

There are also other noninfringing alternatives that were never in this circumstance. They weren't originally accused and then dropped from the case.

THE COURT: The only thing I have in front of me that I care about are products, whether they are sound bars or stream bars, and there's a fight over whether or not they are nonportable or portable.

MS. FENTON: Thank you.

THE COURT: If your expert is going to -- if you -- if the reason Ms. Kindler says -- I mean, I'm doing something, and I'm doing it because my expert says I'm -- we're right, then that's one thing.

I'm less -- I don't care very much that they were dropped from that case or what Dr. Shamos said that may have -- may or may not have been what he intended.

What I care about is that your expert has a foundation on your side, and it seems to me that she does.

10:44 MS. FENTON: To be clear, yes.

10:44 THE COURT: Okay. I got that.

10:44 Now, why should I grant your Daubert motion if they have an expert who's going to give the foundation for Ms. Kindler here?

10:44 MR. LEIBOWITZ: Thank you, Your Honor.

10:44 So with respect to the sound bars and stream bars, I think they fall into the same arguments we made with respect to the other noninfringing alternatives.

10:44 It's not -- the fact that they were accused and then dropped, we raised as the point being that that should not put them in a category that then says they don't infringe. Because, again, that's what they were relying on Dr. Shamos' testimony for.

10:44 But the problem with her reliance on the stream bars and sound bars as noninfringing alternatives, we don't think is because of the -- that the issue is with respect to Dr. Russ not saying, oh, these don't infringe. We don't think we should be having a trial, Your Honor, on whether noninfringing alternatives infringe or don't infringe. We think that's the wrong way to go.

10:45 We think the problem here is that with respect to the noninfringing alternatives that

10:45 Ms. Kindler relies on among them, the sound bars and
10:45 the stream bars, they have all the same problems. In
10:45 fact, they admit she didn't rely on them for purposes
10:45 of quantification of her analysis.
10:45 But all of them, Your Honor, have the
10:45 same issues.
10:45 THE COURT: I don't know what those
10:45 issues are.
10:45 MR. LEIBOWITZ: Oh, thank you, Your
10:45 Honor.
10:45 So, Your Honor, so one issue is that
10:45 they -- that the -- in order to be a proper
10:45 noninfringing alternative, they need to -- they need to
10:46 possess characteristics -- or cannot possess
10:46 characteristics that are significantly different from
10:46 the patented product. And they --
10:46 THE COURT: But -- I'm sorry. They have
10:46 an expert who's going to say they do, right? That's
10:46 what I heard her say. They have an expert who's going
10:46 to say that they qualify as noninfringing alternatives.
10:46 And it seems to me your fight is over --
10:46 the Daubert isn't with Ms. Kindler. The Daubert is
10:46 with whether or not -- with whether -- you're arguing
10:46 that they infringe. They're arguing that they don't
10:46 infringe. And they have an expert that says they

10:46 don't. Why don't they get to do that?

MR. LEIBOWITZ: Yeah. So I think -- Your Honor, so with respect to -- with respect to that point, I think the problem is not whether our -- our argument's here, Your Honor, with respect to why Ms. Kindler's opinions here should be struck and not the alternatives is not that there's -- whether or not there's a battle of the experts over whether the, quote/unquote, noninfringing alternatives actually infringe.

What our problem is, Your Honor, is that the supposed noninfringing alternatives do not have a sufficient connection to what is -- what Roku actually does with respect to the products that actually are accused.

THE COURT: So now you're back to making the argument they made against your damages expert, that you don't like the way they did the opinion.

MR. LEIBOWITZ: Well, more so that the -- we don't believe that the opinion -- not that we don't like the way they did the opinion, but that the argument --

THE COURT: You have the same --

(Simultaneous conversation.)

THE COURT: I'm going to deny this one.

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10:47 Next up I have -- I'm going to deny the motion with respect to Ms. Kindler with respect to her reliance on license. I'm going to deny it with respect to what I'm generically calling the sound bar and stream bar, noninfringing alternatives. Whatever it is that the fuss is there, I'm denying it.

Let's go next to the final issue that you have with Ms. Kindler.

MR. LEIBOWITZ: Okay, Your Honor. And this is with respect to the advertising. And the fact that what Ms. Kindler does is essentially assume noninfringement rather than assuming infringement.

And what she does, Your Honor, is she just says that she's relying on an opinion from Dr. Russ that certain types of advertisements are not infringing.

Here's a section of her report: I understand from Dr. Russ that to the extent any advertisements could be considered as potentially within the scope of the asserted claims, it would be limited.

And "potentially within the scope of the infringing claims" means that of -- if they don't fall there, then they don't infringe.

And what she does is she says that

10:48 1 certain ads fall outside the scope of the claims, i.e.,
10:49 2 they don't infringe, and that, therefore, results in a
10:49 3 69 percent reduction when she applies her royalty math.
10:49 4 And, you know, this -- we think there's
10:49 5 two problems here.
10:49 6 One, it's essentially based on a
10:49 7 noninfringement opinion even though she's required to
10:49 8 assume infringement. She's saying that these ads fall
10:49 9 outside the scope of the claims, when she's required --
10:49 10 what IOENGINE's allegations are that they are
10:49 11 infringing and they fall within the scope of the
10:49 12 claims.
10:49 13 THE COURT: So if you'll back up just for
10:49 14 a second.
10:49 15 MR. LEIBOWITZ: Sure.
10:49 16 THE COURT: There is a quantum of -- so
10:49 17 how do the -- how does the advertising fit into what's
10:49 18 infringing? Start me there.
10:49 19 MR. LEIBOWITZ: Sure, Your Honor. So
10:49 20 Roku makes most of its money by selling advertisements.
10:49 21 THE COURT: Sure.
10:49 22 MR. LEIBOWITZ: And then the way that
10:49 23 works is with respect to a Roku product, if you're
10:49 24 using a Roku device, you see an advertisement, right,
10:49 25 and then -- and that is actually money that Roku makes.

10:49 And in fact, when we go through their
10:49 documents, they -- they -- the infringement, right,
10:50 both in terms of selling the product and the use of the
10:50 product, which are infringements, the -- Roku's
10:50 monetizing that through their advertising revenue.
10:50 THE COURT: Are these apparatus claims or
10:50 method claims?
10:50 MR. LEIBOWITZ: There's both, Your Honor.
10:50 THE COURT: Okay. So get me to where --
10:50 and I've had a couple of trials so that's my limited
10:50 knowledge of Roku. But I do understand that what
10:50 you're saying is that they have a product and the way
10:50 they make the product, obviously like YouTube and
10:50 everybody else, they -- it's through advertising.
10:50 What I'm -- what you need to get me --
10:50 just trying to connect me to is how -- the fight, I
10:50 guess, is over whether or not Ms. Kindler is going to
10:50 say that there is advertising revenue -- and let me
10:51 switch it just for a second because it might bring --
10:51 works a little better.
10:51 Google's a pretty big company. And they
10:51 have Google Maps. They have other devices. And so
10:51 there's got to be -- there is -- there is a way,
10:51 probably, you can show how Google monetizes Maps as
10:51 opposed to search as opposed to everything else.

10:51 Here, if I understand you, the fight is over how to segregate the amount of advertising revenue that should be attributable to the infringing method in apparatus. Is that -- am I getting close?

MR. LEIBOWITZ: Sure, Your Honor. So I'll try to explain it, Your Honor.

So here, there's particular types of advertising. And in one sense, where the advertising is coming from.

So, for example, if you watch a movie or a TV show on your Roku device, you'll see a bunch of different types of advertising along the way. Some of that advertising is directly from Roku. Some of it may be from the service that you -- that Roku is allowing you to watch on the device.

And in all cases, what Mr. Bratic did in terms of the money related to those ads, is it's a revenue that Roku is realizing.

What Ms. Kindler is doing is she's saying, according to Dr. Russ, there are certain types of advertisements that don't fall within the scope of the claims. And, therefore, she's taking them out of the royalty calculation.

And our argument is, if you're taking them out of the royalty calculation based on the expert

10:52 opinion that they don't fall within the scope of the
10:52 claims, then you're essentially saying -- you're --
10:52 it's a noninfringement opinion.
10:52 It's saying those -- that advertising --
10:52 THE COURT: So let me back you up for a
10:52 second to make sure I understand.
10:52 Your technical expert is going to say the
10:52 contrary. Your technical expert is saying all -- this
10:52 is what infringes and the revenue is tethered to what
10:53 we are claiming infringes.
10:53 MR. LEIBOWITZ: Correct.
10:53 THE COURT: And you're concerned with
10:53 what Ms. Kindler has done is she has not accepted --
10:53 and she and her -- the expert on their side have not
10:53 accepted the breadth of what you're saying is -- should
10:53 be inclusive.
10:53 And typically, in a hypothetical
10:53 negotiation, that's not an issue. Typically, it's
10:53 whatever you say infringes, they spot you infringes for
10:53 purposes of the negotiation.
10:53 MR. LEIBOWITZ: Correct, Your Honor. And
10:53 in fact, that's the law. In the hypothetical
10:53 negotiation, they have to assume infringement. Right?
10:53 I mean, that -- but -- I'm sorry.
10:53 THE COURT: I'm pretty up -- I got the

10:53 law. And so I think I've got it.

10:53 Okay. Let me hear a response, if I could. I think I have the issue.

10:53 MS. FENTON: Your Honor, if I could just pull up one slide for reference, please.

10:54 (Clarification by Reporter.)

10:54 MS. FENTON: Your Honor, I think you hit the nail on the head with the original questions you were asking IOENGINE's counsel.

10:54 In this instance, the issue is the platform revenues or the advertising revenues. They're not tied to the patent claims. And in fact, the one claim that actually said advertising in it that was asserted in this case, IOENGINE recently dropped.

10:54 IOENGINE obviously argues, based on Mr. Leibowitz' statement, that Ms. Kindler didn't use the total platform revenue and, therefore, she somehow failed to assume infringement. But that's false.

10:55 As you can see on the chart here up on the screen, there's two buckets of revenue. You've got the product revenue, and you also have the Roku platform revenue that's associated with the advertising business.

10:55 It's Roku's position that IOENGINE is not entitled to any portion of the platform revenue because

10:55 of the patents-in-suit have nothing to do with advertising.

But our damages expert Ms. Kindler was very conservative in her analysis, and she did include some platform revenues. She properly relied on Roku's technical expert Dr. Russ, as you recognized, and his opinion that if any platform revenues are actually tied to the patent claims at issue in this case, it's the revenue from the display ads, and she adjusted downward to include those.

And so it's not an instance here where she disregarded platform revenue and didn't, you know, didn't assume infringement as IOENGINE argues. It's just that she did not accept Mr. Bratic's numbers based on her reliance on the technical expert. And she has no obligation to accept Mr. Bratic's numbers. As you said, this is the, you know, the difference between the two damages experts.

And so we respectfully request that, you know, Ms. Kindler is able to rely on her well-reasoned analysis based on the technical expertise of Dr. Russ and what is actually tied to the patent claims in this case.

Thank you.

THE COURT: Yes, sir.

10:56 MR. LEIBOWITZ: So, Your Honor, I think that you just heard the issue, which is whether it's tied to the patent claims or not. And our point is that for purposes of a damages analysis, she needs to assume that what will -- we say is tied to the patent claims is tied to the patent claims.

Otherwise, "tied to the patent claims," that's a fancy way of saying noninfringing. Not tied to the patent claims.

Our point is that there's revenue that's recognized by Roku on all these advertisements. And by simply saying, well, some of them are not within the scope of the claim or not tied to the claim, that she can then assume those out of her calculation, that is incorrect as a matter of law, Your Honor.

And, Your Honor, if I can just go back, you know, one moment with respect to the sound bars and stream bars. Because I -- you know, I heard counsel's representation about Dr. Russ having an opinion about the sound bars and stream bars being noninfringing.

We don't believe that's the case, Your Honor. We did not think so. I've had people looking for it. At most what Dr. Russ is says is that he says, they're noninfringing alternatives because they provide the same benefits that the Roku products do.

10:57 But he doesn't have any opinion -- as the technical expert, doesn't have any opinion that we can find in his report that says that the sound bars and stream bars do not infringe.

I'm sorry. I was going back, Your Honor.

THE COURT: No, no, no. That -- I -- that's fine.

So here's -- so let me say what I'm going to do with respect to that.

Let me back up to that issue that you just raised with regard to the sound bars and stream bars.

At trial -- and I won't remember this. But if when we start -- when we get to the trial, if you will remind me of this issue, I will listen to what their expert puts on -- their technical expert puts on with regard to this issue. Him being limited to his expert report on this issue. And I'll make my determination at that time.

If I -- if -- obviously if the defendant -- if it's in the report and you have your -- because he needs to testify about it at trial anyway to lay the foundation for her or she just doesn't get to talk about it.

So when he -- when their technical expert

10:59 finishes, which means I think you have to put him on
10:59 before the damages expert here, we'll take that issue
10:59 up separately and I'll figure that out.
10:59 MR. LEIBOWITZ: Thank you, Your Honor.
10:59 THE COURT: Now, let me -- I'm going to
10:59 come back in just a second to the other issue.
10:59 But you have spurred my -- spurred me to
10:59 say, the way I anticipate that you all will put on your
10:59 experts, because I don't -- Mr. Deaconson -- I don't
10:59 know who else has been in front of me at trial before,
10:59 but I'll pick on you since you're standing in front of
10:59 me.
10:59 If you are putting on your expert and --
10:59 on damages and they were to jump up and say, that's not
11:00 in his report, what I anticipate you being able to do
11:00 is say, but, Your Honor, of course it is. Because any
11:00 question you ask on direct, I expect you to have a key
11:00 in your outline to where -- not -- it's not a quote,
11:00 but you'll have to convince me that something in the
11:00 report put them on notice that this was -- the jury's
11:00 going to hear this.
11:00 Now, they get to cross. And what you all
11:00 enjoy more than anything else, more than winning, I
11:00 think, is being able to say something's not in
11:00 someone's report.

(Laughter.)

THE COURT: And so they will go on cross, and they'll do a great job. And they're not tethered to your expert's report. They can ask him whatever he wants.

Now, when you get back up on redirect and you say, Mr. Expert, you were asked on cross X. They can't say it's not in his report. It may not be in his report. But if it's asked on cross, on redirect there is no it has to be in the report.

If you are asking a question on redirect that asks an expert to explain what was in -- they were asked on cross, they get to answer it. And I have this all the time. So that's the reason I bring this up.

Now, finally turning to the last issue, last Daubert issue with regard to Ms. Kindler. I mean, I -- you know, the problem is technically you are both right. I mean, obviously anything that is infringing is -- you know, is part of the hypothetical. I get that.

On the other hand, what I hear them saying is that there are products that fall outside of the scope of being -- I just can't understand it well enough.

What I'm going to do is listen -- when

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you're putting on your case -- your case-in-chief on what infringes, if you lay the foundation -- if you lay the foundation that X, Y, and Z infringe, and Mr. Bratic lays down a foundation of why all of those products should be included in the hypothetical negotiation, there's a very high likelihood I'm going to exclude -- I'm going to grant the Daubert on this.

And so -- but I'll be listening on cross. If on cross they can establish that there are -- may be products that shouldn't be included in what is infringing and that's the basis for which Ms. Kindler's saying, then I'll do that.

Again, I don't think this is a Ms. Kindler issue, really. I think it is a what should -- what the technical experts can convince me should and should not be included as infringing products.

Now, because she didn't make up -- she didn't figure out what to include or not, she relied on the expert here, the technical expert to do that. But if I decide he was wrong in what he said, then she pays the price in terms of the Daubert because they won't be included in.

MR. LEIBOWITZ: Understood, Your Honor.

And just to clarify one thing. It's not

11:03 a matter of particular products that infringe or don't
11:03 infringe, right? It's a matter of -- and maybe just
11:03 it's to help the analysis, right -- it's a matter of
11:03 the, you know, whether the ad revenue that they're
11:03 generating, right, from all of the products infringe,
11:03 right?
11:03 THE COURT: And, again, that's why I'm
11:03 saying, though, I get -- I get all this. What I'm
11:03 saying is, until I hear the testimony -- after I hear
11:03 the testimony, I'll have a much better understanding of
11:03 whether or not I think the ad revenue -- I know why you
11:03 want the ad revenue in. I get that. I mean, they're
11:03 not selling shoes. You can't take a part of the shoe
11:03 sales. So I get that.
11:03 MR. LEIBOWITZ: Thank you, Your Honor.
11:04 Could I ask just one question, Your
11:04 Honor, also? And I don't want to belabor things if
11:04 Your Honor has made up his mind.
11:04 But I would say just two things on the
11:04 PRISMIQ motion that Your Honor --
11:04 (Simultaneous conversation.)
11:04 THE COURT: I don't want to go back over
11:04 anything I've decided.
11:04 MR. LEIBOWITZ: Okay. Thank you, Your
11:04 Honor.

11:04 And then one other point, Your Honor.

11:04 There were a number of summary judgment motions that Roku made and submitted on the papers and did not argue. A couple -- one on -- another one on invalidity, a couple on noninfringement.

11:04 You know, to the extent Your Honor has any questions about those or has something in those motions, even though they're Roku's motions and they're not arguing them, but if there is something that has caught Your Honor's attention with respect to the other invalidity points on written description or the noninfringement points, that -- we would certainly appreciate the opportunity to address those with Your Honor if Your Honor's being inclined to, you know, grant a motion for invalidity, let's say, or grant a motion for noninfringement with respect to those issues.

11:04 THE COURT: With respect to that -- let me go through those. And I'll do what you said.

11:05 With respect to the motion -- Roku omnibus motion for summary judgment with regard to the no corroboration of the 2001 conception date, it is denied.

11:05 With respect to the no written description of a key exchange between the portable

11:05 device and the terminal, it is denied.

11:05 With respect to noninfringement based on terminals, it is denied.

11:05 With respect to noninfringement based on processors and the CPU, it is denied.

11:05 I'm going to come back to the next one.

11:05 With respect to Roku's motion to strike Dr. Shamos' reliance on terminal television theory, that is denied.

11:05 With respect to Roku's motion to strike Dr. Shamos' reliance on the doctrine of equivalents, I'm going to grant that, but I'm going to give the plaintiff leave to serve amended infringement contentions because we're kicking the trial date. And so you can redo that.

11:06 With respect to IOENGINE's motion to limit the testimony of someone who I don't know how to pronounce her name, Ingrid Hsieh-Yee.

11:06 I think, Kevin, you could get this for me for sure.

11:06 That is denied.

11:06 With respect to the motion to exclude the opinions of Keith Webster, that is denied.

11:06 And then I have -- give me one second.

11:06 The one we have left is the motion to

11:06 strike portions of the expert report of Mr. Russ. Let
11:06 me look at that for a second.
11:07 (Off-the-record bench conference.)
11:07 THE COURT: With regard to motion --
11:07 IOENGINE's motion to strike portions of Mr. -- or is it
11:07 maybe Dr. Russ' report, I'm going to give leave to
11:07 the -- to Roku to address any of the issues that were
11:07 raised in this and fix those.
11:07 And if -- having -- if you -- let me see.
11:07 Let me ask the plaintiff with respect to
11:07 I'm assuming it's Dr. Russ. Is the issue only -- it
11:07 looks to me the issue was that they didn't do stuff
11:07 sufficiently during discovery or during giving you
11:07 contentions, but they did have the information in their
11:08 report; is that correct?
11:08 MR. LEIBOWITZ: This is with respect to
11:08 the allow reference and the Sony TV, et cetera, Your
11:08 Honor.
11:08 THE COURT: All I have here is with
11:08 regard to the '819 and '584 patent. I'm not sure of
11:08 what the art is specifically.
11:08 MR. LEIBOWITZ: Yes, Your Honor.
11:08 Mr. Chuebon will address that, Your Honor.
11:08 THE COURT: Well, let me ask you this.
11:08 MR. LEIBOWITZ: Sure.

11:08 THE COURT: Here's all I care about. Tell me what it is you feel that you need for them to provide you so that you can adequately defend their argument. And I'll -- I'm going to let -- I'm going to let them make this argument, but tell me what I need to do to make it fair for you all to adequately respond to it.

11:08 MR. LEIBOWITZ: Well, Your Honor, I think with respect to -- since Your Honor's allowing sort of supplementation, right, in terms of the motions you already ruled on, I think we would want to depose Dr. Russ again --

11:08 THE COURT: You get to do that.

11:08 MR. LEIBOWITZ: -- on those opinions.

11:09 THE COURT: That's fine.

11:09 MR. LEIBOWITZ: And to the extent that results in another Daubert, Your Honor, we would like the option to bring --

11:09 THE COURT: There's nothing I enjoy more.

11:09 (Laughter.)

11:09 MR. LEIBOWITZ: And finally, Your Honor, I don't know how you would like to handle this, but obviously I think our experts should -- we're not -- we would not necessarily want more rebuttal reports, but, Your Honor --

11:09 THE COURT: You get to do whatever you need to do to be fair.

11:09 MR. LEIBOWITZ: Okay.

11:09 THE COURT: If you need to do a rebuttal report, you can have a rebuttal report, and then they get to depose your expert. So I'm fine with all that.

11:09 MR. LEIBOWITZ: Okay. Thank you, Your Honor.

11:09 THE COURT: Now, what occasionally happens that I run into -- not occasionally; I run into a lot -- is I never know the names of these different ones, but whatever technically should be the last round of reports, whatever you would call the final -- what's supposed to be the final one.

11:09 But the other side gets it and they're like no, no, no. We still want to say something. So you send another report. Now that one is always called the supplemental report, and the other side gets unhappy about that because it's too late and all that.

11:10 But the rule is you have to give them a report to -- so you can say anything. So you all just keep doing reports until it kills you. And if each time you give a report someone wants to take a short deposition about it, you get to take -- you know, because my rule is going to be when you put the expert

on, the other side had to be given notice in a report that that's what they were going to say.

So you all just keep doing reports until the cows come home.

Now, I have one motion, I think, left here, which is your motion -- the plaintiff's motion to limit the expert testimony of Roku's expert on noninfringement because of a construction issue.

MR. LEIBOWITZ: Yes, Your Honor.

THE COURT: Now, so what I have done in the past here, if I have to, is -- was this a term that was construed?

MR. LEIBOWITZ: So the term -- the term "terminal" was construed as having its plain and ordinary meaning.

But in the -- of course, in the context of the discussion, Your Honor, what the Court said is that -- again, as I said, we had certain slides on this previously but the terminal is a computing device. The parties agree that it's a computing device.

And what Roku did is they tried to read more into that, right, and the Court rejected the additional terms that Roku tried to read in.

But then, of course, what Dr. Ross does is he puts those terms in and says, well, the plain and

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ordinary meaning would mean the terms that Roku tried to put in in claim construction and then was rejected.

That's the basis for that motion.

THE COURT: Well, give me one second. I may have -- I think I have a solution.

(Off-the-record bench conference.)

THE COURT: This isn't a perfect solution, but it's the best one I can have short of waiting until trial and hearing what everyone says.

I think I'm going to turn this into -- you have construed it already. I think we're going to set you all for a mini Markman on this claim term. And primarily what I'm going to be looking at is whether or not your -- what your expert says the plain and ordinary meaning ought to be is correct, and what their plain and ordinary meaning -- I get -- I mean, if I let them talk, they're going to say, no, no. We used the plain and ordinary meaning, what you would suspect. I mean, we did what you said, so...

But -- now, there are two paths this might take. And I've taken both of them. In fact, I think it was one of the Roku trials where it happened. In fact, it was a Roku trial where it didn't work -- it didn't work well and that's why I've changed.

Is we had experts who had competing

11:13 constructions, and because the competing constructions had different opinion on infringement which led you to have to cross them and say, you're wrong, and him say, nuh-uh, and they would say vice versa. That didn't work very well. So...

But I may hear the competing constructions and think that they are the plain and ordinary meaning and that the jury could, based on what the experts say, the jury could resolve it as well. So...

But the best way I think to do it is to have a mini Markman and let you all know which path we're going to -- now, I may -- if -- it may turn out that -- I'm going to pick on the defendant here. I have no idea what I'm talking about, so I'm just making this up.

But if I were to determine that your use of the -- what your expert did was the -- was not the plain and ordinary meaning of the term, that would have a very negative impact on your opinion. But, again, if I found that -- this is me speaking -- if I thought that what he had done was in good faith, then I would give you an opportunity to supplement or redo to -- with what I would make clear is the plain and ordinary meaning.

I'm not predicting. I have no idea what your expert put in. I'm just trying to forecast what might happen.

So that's the way I'm going to handle that claim term. And we'll try to do that sooner rather than later so that if you all do need additional expert reports, you all can get to that.

So I think -- yes, sir.

MR. GAUDET: So a few points of clarification, if that's okay. Would you like me to approach the podium, Your Honor?

THE COURT: Please.

MR. GAUDET: The -- with respect to the doctrine of equivalents and Dr. Shamos, I assume like with respect to Dr. Russ, we'd be afforded -- since he's putting in another report, we'd be able to get a deposition and that's not going to be a problem.

THE COURT: I have this silly notion that whatever I do for one side, I should do for the other.

MR. GAUDET: My apologies.

Quick clarification on the prior art, which I believe counsel referred to as the Alao motion.

You know, the real issue there was, you know, IOENGINE was arguing that essentially evidence came into a -- all of the evidence was in, all of the

evidence is in the expert reports. They had deposed Dr. Russ already on all of this evidence.

And so I just wanted a little clarification in terms of I'm not quite sure what we would do -- I guess, other than maybe just open them up for another, you could say, for a limited deposition again on these topics.

THE COURT: Let me check.

(Off-the-record bench conference.)

THE COURT: So Kevin tells me that the issue is whether or not they charted things?

MR. GAUDET: Right. And so the plaintiff's argument is that what we were -- when we introduced certain pieces of prior art which -- evidence in the case, I'll call it, they are saying it needed to be charted.

And obviously we have our rationales for this is background, state of the art evidence, it shows the environment in the claim. It did not actually need to be charted. And it was perfectly fine for Dr. Russ to introduce in his report.

But not only did we introduce it in the report, even before we got to the report, we went ahead and we provided supplemental interrogatory responses that disclose this evidence to them that --

11:17 THE COURT: Let me hear from the plaintiff what the plaintiff would like you to do, and I'll decide whether or not you need to do it.

11:17 MR. CHUEBON: Good morning, Your Honor. I am Greg Chuebon. I am from Dechert's New York office. Although I will disclose that my wedding reception was about six blocks away.

11:17 THE COURT: Really? Where? Where was your wedding reception?

11:17 MR. CHUEBON: We were married at the church right outside UT, and the reception was at the Driskill.

11:17 THE COURT: How beautiful.

11:17 MR. CHUEBON: The -- and actually, Your Honor, the last time I appeared in court in Texas was to ask for a marriage license with less than 72 hours notice, so...

11:18 Well, maybe today will be as successful. We'll see.

11:18 THE COURT: What happened to me is my wife and I were -- had thought that you could get the wedding license at the courthouse and, you know, you can't. You have to go now to the -- to where you get your DMV. It's horrendous. And it was horrible. And we were driving around. We couldn't find a place to

park. And she said, you know, maybe we just shouldn't get married.

(Laughter.)

THE COURT: And I thought, this is the level of commitment that I like seeing out of you. And so -- she hates it when I tell that story. It's true, but it's -- she doesn't like when I tell that story. So...

My -- but my solution is, you ought to go to McLennan County to get the license because I don't think there's a line -- my guess would be there's no -- you --

MR. DEACONSON: Very easy to do, Your Honor.

THE COURT: Very easy to do. So that's what I would do going forward. So...

Hopefully you won't need another marriage license.

MR. CHUEBON: I was going to say, thank you for the advice. Hopefully I won't need to take it.

But I think the issue here really is, as your clerk noted, that these references just weren't -- they weren't charted. There was ample notice that -- or there were ample opportunity to disclose these to us and they should have been disclosed and in the charts,

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and they just weren't.

There was nothing in the initial invalidity contentions. There was nothing in the final invalidity contentions. There was nothing in -- and nothing by way of any other disclosure until these things essentially just popped up as invalidity arguments in Dr. Russ' report.

And to say that they are asserted as background references as to the state of the art simply isn't true. The Alao reference and the Sony TV are specifically asserted by Dr. Russ as parts of invalidating combinations. They are parts of 103 combinations. These are not asserted as background references.

And the first notice we got of these was in Dr. Russ' report. So they were not in the contentions. And for that reason, they were belated. The Court has a scheduling order for a reason, and our position is they should be struck.

THE COURT: What do you not have -- what do you not have now that you need to respond to them? What do you not -- has your -- I assume your expert's already done a report -- a rebuttal report to their invalidity?

I get that you're unhappy that they

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11:20 weren't charted, but I'm not following where the harm is.

MR. CHUEBON: Well, Your Honor, the issue is that there wasn't the proper disclosure. So when we were responding to it, we were responding to it at the last minute. So it was tremendously prejudicial to IOENGINE.

Even though there was a belated disclosure in Dr. Russ' report, we --

THE COURT: Do you need -- do you want you to have more time? Do you need to do anything else to respond to these?

MR. CHUEBON: Well, Your Honor, if we do need to put in a supplemental report by Dr. Shamos, we'd appreciate the opportunity to do so. It's also possible that we would need additional discovery.

THE COURT: Well, whatever you need with respect to this issue, if you need to do an additional report, if you need to do additional discovery, you have permission to do so.

What else can I do for you to help here?

MR. CHUEBON: Okay. Thank you, Your Honor.

If Your Honor will hear argument on what I believe is the last remaining motion, which was with

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regard to the motion to strike or limit Dr. Russ' noninfringement testimony.

And this was -- well, I think this was with regard to the claim construction, but I think you've resolved that already.

THE COURT: I have no other issues, but you're welcome to -- I think I've resolved everything I had on my chart.

MR. CHUEBON: Okay. Thank you, Your Honor.

THE COURT: Anything else from the defendant?

MS. FENTON: Your Honor, would you like to hear argument on the motions in limine today?

THE COURT: You know, we have some time. Do I have the motions in limine here?

MS. FENTON: We've come to an agreement on a number of them. We've come to agreement on a number of them.

THE COURT: Why don't you tell me which ones you've agreed to?

MS. FENTON: My colleague, Ms. Holly Engelmann, is going to address them. Thank you, Your Honor.

THE COURT: Yes, ma'am.

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11:22 MS. ENGLEMANN: Good morning, Your Honor. Holly Engelmann. I'm coming here from Dallas. I think I'm the only Texas attorney who can't or doesn't tell everybody that we are really good friends. And so I'm happy to be here in your courtroom today.

THE COURT: We're friends now.

MS. ENGLEMANN: Okay. I'll get that marketing out right away.

THE COURT: No. I wouldn't do that.

(Laughter.)

MS. ENGLEMANN: It hasn't stopped other people.

The parties have agreed to IOENGINE's MIL 4.

THE COURT: IOENGINE's 4, agreed. Okay.

MS. ENGLEMANN: Roku MIL 1.

THE COURT: Give me one second. Agreed. Okay.

MS. ENGLEMANN: And then Roku MIL 2.

And there's actual specific language that the parties agreed to, and we submitted it in one of those charts.

THE COURT: Whatever -- whatever you all agree to, I'm happy -- I will adopt.

MS. ENGLEMANN: Okay.

11:23 THE COURT: So the others I need to run through real quick?

11:23 MS. ENGLEMANN: Yeah. That means seven remaining, and I'm optimistic that it'll be pretty brief.

11:23 THE COURT: Okay. Well, so you may be seated, and I'll run through these.

11:23 MS. ENGLEMANN: Thank you, Your Honor.

11:23 THE COURT: IOENGINE MIL No. 1: Preclude evidence, testimony, and argument relating to unasserted or withdrawn claims, art, and theories.

11:23 I can't -- for both sides, if it's not in the case, it's not relevant and shouldn't come in.

11:23 No. 2: Preclude fact witness testimony comparing accused products, asserted claims, and prior art.

11:24 Generally speaking, that's inadmissible. I would grant that.

11:24 Now, to the extent that this is intended to preclude Roku engineers from explaining how things work or anything like, that's not included in my MIL. The experts, if they have percipient information of how things operate or if the witnesses know how things work, that's admissible as far as I'm concerned.

11:24 They don't -- no opinion. Like, we don't

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11:24 infringe. But if it's, you know, how something works, they can -- as long as the witness was disclosed in sufficient time for each you to depose them.

Yes, sir.

MR. LEIBOWITZ: I think, Your Honor, the issue is with respect to fact witnesses not comparing -- for example, a Roku engineer can talk about how the products work, but what they shouldn't be saying is, let's look at the claim language and compare the products --

THE COURT: No. They don't get --

(Simultaneous speakers.)

MR. LEIBOWITZ: That's the expert.

THE COURT: The fact witnesses don't get to talk about the claims.

MR. LEIBOWITZ: Thank you, Your Honor.

THE COURT: Yes, ma'am.

MS. ENGLEMANN: Sorry to interrupt.

Does that also include IOENGINE's fact witness Mr. McNulty who's the inventor? Because in prior trials he has gone claim-by-claim mapping, and that's why this is disputed.

MR. LEIBOWITZ: And that's not with respect to infringement, Your Honor. He talks about his invention and his conception. And of course, he

refers to claims when he talks about the invention that he invented.

THE COURT: No. He's not going to say anything about Roku products.

MR. LEIBOWITZ: No, no. Of course not, Your Honor.

THE COURT: Right. No. He can talk about his patent, and y'all can cross him about his patent.

MS. ENGLEMANN: But the problem is he's not comparing them to Roku products. He's comparing them to some prototypes. So he's saying element-by-element, see. It's in my prototype. It's here, here, and here.

MR. LEIBOWITZ: It's a conception issue, Your Honor. Conception and reduction to practice.

THE COURT: I have no problem with that.

MR. LEIBOWITZ: Thank you, Your Honor.

THE COURT: No. 3: Preclude evidence, et cetera, relating to Roku's investments, employment, and contributions to the U.S., Texas, and this district.

You know what interested me in the first case I had with Roku was when I found out having -- with them so unhappy about the case being in Texas that

they actually -- I think that all the witnesses were from Austin.

But however, let me make this a broader issue. The facts are the facts. Whatever the plaintiff is -- I don't know what -- I don't know what you are, nonpracticing entity. Whatever you are, that's just a fact and you get to tell your story about the invention, who you are, what you are, why you're here, you have a patent.

Roku gets to tell their story, what Roku does, how successful they've been, you have IP, you own your own patents, all that stuff. That's all fine.

Roku doesn't get to say, we have patents. We would never infringe. We have our own patents. You just get to say, we respect IP. We have lots of patents.

The plaintiff doesn't get to talk about Roku being a big evil corporation. You don't get to say that they're an evil bloodsucking, you know, entity that wants, you know, money and shouldn't get it.

You know, so -- and I tend to police that stuff -- I say that. I've never had to do anything about it, but you all -- you each get to tell your stories about where you are and what you've accomplished.

11:27 With respect to plaintiff's MIL No. 5: Preclude demonstrations that were not previously disclosed or of non prior art.

11:27 I'm going to put this in the bucket. This is not a MIL. Nothing gets talked to in front of the jury that's not in the expert report. And I would think that would cover everything any of you all care about.

11:27 Roku MIL No. 3. No. Settlement agreements from prior litigation don't come in with the exception of whatever's been disclosed in a damages expert report and that's relevant. Those obviously get to come in. Otherwise, discussions of other litigation doesn't get to come in.

11:28 Now, it sounds like the plaintiff has had other litigations, which means at least some of his -- their folks have testified before. If at my trial you want to cross-examine the inventor, I guess, with what he testified about before, if you want to impeach him using that -- one of those sworn statements, you just say from a different proceeding or something. You know, don't get into, you know, he's sued other people.

11:28 All that, just it's, you know, let me -- I'm going to read to you -- now, the only catch here is that the plaintiff may want the orientation of, you

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11:28 know, where it came from if there's more than one
11:29 trial.
11:29 I mean, you all can talk about this, how
11:29 you'd like the defendant to -- what you'd like the
11:29 defendant to say with regard to if they're using
11:29 testimony from another trial, what you -- if there's
11:29 something you can agree to about how they'll address
11:29 that. Because I want your witness to know where it is.
11:29 I mean, he's probably been deposed a bunch. He's, you
know...
11:29 And so it'd be fair to him to know that,
11:29 but I'm also sympathetic that you don't want -- we
11:29 don't want to be talking about a lot of other trials.
11:29 And that's true of anyone. I mean, if
11:29 they're a Roku -- there may be Roku witnesses who have
11:29 testified in my court, and so that can come in -- that
11:29 prior testimony can be used for impeachment as well.
11:29 No. 4: Exclude any testimony, argument,
11:29 documents, or other evidence regarding the inspection
11:29 of the MediKey prototype device that was conducted
11:29 during prior litigations.
11:30 Is the inspection of the MediKey, which
11:30 is M-e-d-i-K-e-y, is that inspection disclosed anywhere
11:30 in any expert report?
11:30 MR. LEIBOWITZ: Yes, Your Honor. It is.

11:30 THE COURT: Okay.

Yes, ma'am.

MS. ENGLEMANN: Your Honor, the issue there is just that Roku wasn't able to participate in the inspection because it was done many years ago and the devices have been destroyed before the litigation began. So there's no way for Roku to put on its own witness to talk about the prototype or device.

MR. LEIBOWITZ: Your Honor, I think both experts are working from the same information with respect to that.

The MediKey device was inspected in prior litigation. There were reams of data that were provided with respect to the -- actually all of the ins and outs of the MediKey that were collected during that inspection, including videos, including slides --

THE COURT: So their experts have the same access that yours does?

MR. LEIBOWITZ: Correct, Your Honor.

THE COURT: Okay.

And what is your concern?

MR. RICCIUTI: I'll make sure that the microphone is working.

Christopher Ricciuti again, Your Honor.

I think part of the issue here is that

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11:31 the MediKey really relates to an allegation of
11:31 inequitable conduct that Roku has.
11:31 And so in 2010, Mr. McNulty submitted a
11:31 declaration to the PTO --
11:31 THE COURT: I mean, if it's inequitable
11:31 conduct, then it doesn't need to come in.
11:31 MR. RICCIUTI: But I think what plaintiff
11:31 is trying to do here is that we dispute the allegations
11:31 in that declaration, we believe that those allegations
11:31 are false, that the MediKey did not operate the way
11:31 that Mr. McNulty said, but they want to have
11:31 Mr. McNulty rely on that.
11:31 THE COURT: Here's what I'm going to do.
11:31 When we're at trial, I'm going to grant
11:31 the motion in limine in a true limine form, which just
11:31 means at trial. Once I understand what's going on
11:31 better, you can approach the bench and let me know that
11:31 you're going to talk about the MediKey and why it's
11:31 relevant to the issue that you're -- it being relevant
11:31 to infringement.
11:31 I can't think of anything else. I doubt
11:32 it has anything to do with --
11:32 MR. LEIBOWITZ: It's conception and
reduction to practice, Your Honor. It's a device that
11:32 was worked on back in 2002, and that's where it fits in

11:32 this story. We're certainly not raising an inequitable conduct issue --

(Simultaneous conversation.)

THE COURT: Well, why -- well, okay.

Is the MediKey something that your folks made?

MR. LEIBOWITZ: Yes, Your Honor.

THE COURT: Okay. And what they want to talk about is the MediKey was -- the prototype device was done -- was it done prior to the filing of the filing application?

MR. LEIBOWITZ: Yes, Your Honor.

THE COURT: So y'all are trying to establish that -- that date with regard to conception to reduction?

MR. LEIBOWITZ: Sure, Your Honor.

It fits in the story of the conception and then all the diligence that happens between conception and reduction to practice.

THE COURT: And does that -- is anything you all are doing challenging that issue? I mean, in other words, are they having to get an earlier -- are they having to use that to get an earlier date to get behind any of your art?

MR. RICCIUTI: Yes. And so we're --

11:32 that's a part of it. And so we're --

11:33 (Simultaneous conversation.)

11:33 THE COURT: Then it's going to come in.

11:33 MR. RICCIUTI: But the -- what we're really trying to preclude is this inspection of the MediKey that happened, I believe it was in 2015 or 2016 in another litigation.

11:33 THE COURT: Well, an inspection that post dates the filing of the patent.

11:33 MR. RICCIUTI: It was conducted in other litigation.

11:33 THE COURT: Now, explain to me why that's relevant to conception.

11:33 MR. LEIBOWITZ: Your Honor, it just -- it's just that all the inspection did was show we don't have the device. The device no longer exists. And so the -- for example, the inspection has pictures of what happened when you clicked on a button on the device.

11:33 THE COURT: Are you -- is the defendant fighting that the MediKey, in fact, was not part of the reduction and conception -- is not proof of reduction and conception?

11:33 MR. RICCIUTI: They don't allege that the MediKey itself is reduction to practice. That allegation's not there.

11:33 The -- we do dispute that it operated the
11:34 way Mr. McNulty said. And even IOENGINE actually
11:34 disputes that the inspection showed one way or another
11:34 how the device operated. And it doesn't actually show
11:34 that it operated the way they did.
11:34 And so, I mean, this is a central piece
11:34 of evidence related to inequitable conduct, but we
11:34 don't believe that it should come in as purported proof
11:34 of how it operated during the jury trial.
11:34 THE COURT: Well, we'll take it up at
11:34 trial. But when you move to introduce it -- I'll say
11:34 this generically, which is that if I'm persuaded that
11:34 it -- that you all are put -- by you all -- if I'm
11:34 persuaded the defendant is putting into question some
11:34 issue that this helps the plaintiff prove, then it's
11:34 going to come in.
11:34 That -- in other words, you could maybe
11:34 stipulate your way out of this, or you can do something
11:34 else to obviate the need for them to have to use this.
11:34 But I'm -- if either side can convince me
11:35 that they are putting something in evidence because the
11:35 other side is fighting over it and they have to prove
11:35 something, that -- the side that wants to put it in is
11:35 almost always going to win. I mean, that's bilateral.
11:35 And so if -- I don't know why you're --

11:35 so, you know, I will tell you that you all -- this
11:35 after five years of sitting on this side -- I know why
11:35 because I sat on your side for 20 years -- but I can
11:35 tell you all, you all get really exercised over things
11:35 that ultimately the jury doesn't -- put it gently --
11:35 couldn't give a flip about.
11:35 So, you know, you all feel like there's
11:35 going to be a gong clang and a strike of -- clap of
11:35 thunder when the MediKey device is talked about and it
11:35 will change the course of history and the course of the
11:35 trial. And I'm pretty sure, if I were to talk to the
11:35 jury at the end of it and -- about the MediKey, they
11:35 would say, we have no idea what you're talking about.
11:36 In the sea of things we heard over the five days.
11:36 That's been my general experience in
11:36 talking to them.
11:36 But I understand why you all care about
11:36 it. Because I cared a lot about those things when I
11:36 was on your side. So that's how I'm going to deal with
11:36 the MediKey issue.
11:36 And then finally I have exclude -- No. 5:
11:36 Exclude testimony, et cetera, related to any prototype
11:36 device for any purpose other than to show alleged
11:36 diligence including -- does the plaintiff intend to use
11:36 any prototype -- any prototype device for any purpose

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11:36 other than to show alleged diligence, et cetera?

MR. CHUEBON: Thank you, Your Honor.

The reason that the -- these other prototypes would come in is that these are similar to the MediKey. They were just additional iterations of prototypes created by Mr. McNulty in the time period between conception and the filing of the earliest priority application.

And the evidence not only conception but diligence and they corroborate.

THE COURT: I think that's what I just said. I mean, they -- do you intend to use them for any other reason --

MR. CHUEBON: No, Your Honor.

THE COURT: -- than conception diligence?

Well, then I can grant the MIL because that's what the MIL says. That you can't use them for any reason other than those two things.

Now, if you want to use a prototype for some other reason, just approach the bench and tell me you're going to want to use a prototype and why, what it has to do with infringement or invalidity, and I'll be happy to rule on it.

MR. CHUEBON: Your Honor, just one clarification.

11:37 The end language of the MIL says: Exclusion of testimony or argument that the prototype devices evidence conception of the asserted claims.

THE COURT: Right. If it has to do with conception or diligence, I'm perfectly happy with it coming in.

MR. CHUEBON: Okay. So I just wanted to make that clarification. So it can come in for conception and diligence.

THE COURT: Conception or diligence.

MR. CHUEBON: Thank you, Your Honor.

MR. LEIBOWITZ: Your Honor, can I raise one issue with respect to one of our MILs?

THE COURT: Sure.

MR. LEIBOWITZ: Then this is our -- IOENGINE's MIL No. 5 with respect to the demonstration of the devices which Your Honor denied.

And the issue there, Your Honor, isn't about disclosure or something like that. The issue with this MIL is one of the things we think they want to do is demonstrate a supposed prior art device.

The problem is that it isn't in prior art.

THE COURT: Let me make this as clear as I can.

11:38 MR. LEIBOWITZ: Sure.

11:38 THE COURT: Anything that they do, if you can persuade me, once they've done it -- now, this is all prophylactic. You don't know that they'll do it. You think that they might to it.

11:38 If they do something and you can persuade me that because of something they asked or answer they got or evidence they put in or evidence -- an exhibit they used, I need to let you put something in now that I ruled on, that it will have opened the door.

11:38 MR. LEIBOWITZ: So, Your Honor, I don't think this falls in that category, which is why I wanted to address it.

THE COURT: Okay.

11:39 MR. LEIBOWITZ: The issue is that the device they want to demonstrate is not a prior art device. The only one they have post dates --

11:39 THE COURT: Well, that's not a motion in limine. That's a substantive objection to the exhibit.

11:39 MR. LEIBOWITZ: Okay.

11:39 THE COURT: So that's not a motion in limine. And so when they -- when they move -- and I don't know whether you're right or not, but when they move to admit the exhibit or whatever it is you're unhappy about, object and say why, and I'll rule on it.

11:39 MR. LEIBOWITZ: Okay.

11:39 THE COURT: And I promise you -- look. I had a trial where -- this is going to be a longer story than you want.

11:39 I had a trial in this -- no, it wasn't in this courtroom. It was over in the old courtroom, courthouse when I was a magistrate.

11:39 But it was a case where they were -- couple of gentlemen had gotten arrested and they were suing the police department for arresting them. And the plaintiff's on the witness stand. And the defense lawyer starts asking him about all of his criminal convictions. None of which -- none of which were correct.

11:40 However, he did have a son who had the identical name who had been convicted of a lot.

11:40 Now, none of it was relevant because it was his son, and if the people asking the questions had done a little better job, they might have figured out the person who got arrested was a lot younger. When they met the plaintiff, they would have figured that out.

11:40 But when I went -- when I talked to them, because there was a motion for mistrial, they said, oh, no, just tell the jury to disregard the fact that the

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11:40 guy's son has been arrested for all this stuff.

I said, I don't think that would work. And I sanctioned them.

But my point is --

(Laughter.)

THE COURT: -- that that's the kind of thing that if there's a -- if you -- that's the kind of thing the jury can't forget. Like your inventor, if he has a DWI -- I doubt he does, but if he has a DWI, I can't just say, forget he had a DWI. That's why we have motions in limine.

On everything y'all are talking about, no one on the jury will care. Just if they move to admit it, object. And I'll rule on it. And they'll -- jury will yawn and we'll go down the road.

So I promise you, I've been through a couple of trials now and everything will be fine. If you're unhappy about something, just object and I'll rule on it.

MR. LEIBOWITZ: Okay. Thank you, Your Honor.

THE COURT: Is there anything else we need to take up?

MR. LEIBOWITZ: I don't think there's anything else from plaintiff, Your Honor.

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11:41 MR. DEACONSON: Nothing other than if the Court's going to talk about hours and jurors and all that kind of stuff.

11:41 THE COURT: How many patents are there?

11:41 MR. LEIBOWITZ: There's two patents, Your Honor.

11:41 THE COURT: 11 hours per side.

11:41 And you'll have the -- one of my magistrate judges will pick the jury. You'll have four strikes per side. You'll -- there'll be seven jurors on the -- on the jury.

11:42 There's more I have, but we're going to have another --

11:42 MR. DEACONSON: I'm assuming we'll get -- as we -- as I just saw with the trial coming next week, you'll send an order that'll say, like, 30 minutes for opening and closing --

11:42 THE COURT: Yes.

11:42 MR. DEACONSON: -- and that kind of stuff, the standard stuff.

11:42 THE COURT: Anything that I've done in the past, it will be exactly like I've done in the past.

11:42 MR. DEACONSON: That's what I'm assuming, Your Honor. Thank you, sir.

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11:42 THE COURT: I will say that, so you know, we need the jury charge -- proposed jury charge by close of business the Friday before trial.

11:42 And also, because it's helpful I think for you all to know, the way I deal with can you talk to witnesses is: If a witness is on direct, you can talk to them. If your witness is on cross, you cannot with one exception per side. My guess is in the plaintiff's case, it' will be your client, the inventor. I don't know who it'll be for Roku.

11:43 But there's one -- if you have a person who's your corporate representative, I put no restrictions on when you can talk to them at any time during trial. And so I feel like you need to be able to talk to people regardless.

11:43 So anything else we need to take up?

11:43 Well, this was much more enjoyable than my hearing yesterday. So thank you all for being here.

11:43 (Hearing adjourned.)

UNITED STATES DISTRICT COURT)
WESTERN DISTRICT OF TEXAS)

I, Kristie M. Davis, Official Court Reporter for the United States District Court, Western District of Texas, do certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled matter.

I certify that the transcript fees and format comply with those prescribed by the Court and Judicial Conference of the United States.

Certified to by me this 23rd day of September 2023.

/s/ Kristie M. Davis
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