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17   **UNITED STATES DISTRICT COURT**

18   **CENTRAL OF CALIFORNIA**

19   **SOUTHERN DIVISION**

20

21 UNILOC 2017 LLC, | Case No. 8:19-cv-01151-DOC-KES

22   Plaintiff, | **DEFENDANTS NETSUITE INC.'S AND INFOR, INC.'S**

23   v. | **SUPPLEMENTAL BRIEF PURSUANT TO THE COURT'S**

24 NETSUITE INC., | **ORDER FOR BRIEFING (D.I. 40)**

25   Defendant. | Hearing   Dec. 4, 2019 3PM
                                        | Judge: Hon. David O. Carter
26

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2 UNILOC 2017 LLC,	Case No. 8:19-cv-01150-DOC(KESx)
3 Plaintiff,	
4 v.	**DEFENDANTS NETSUITE INC.'S AND INFOR, INC.'S SUPPLEMENTAL BRIEF PURSUANT TO THE COURT'S ORDER FOR BRIEFING (D.I. 44)**
5 INFOR, INC.,	
6 Defendant.	Hearing: December 4, 2019, 3 p.m.
7	Judge: David O. Carter

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1   Pursuant to the Court's December 2, 2019 Order for Briefing (D.I. 40),

2   Defendants Infor, Inc. ("Infor") and NetSuite Inc. ("NetSuite") file this Supplemental

3   Brief Pursuant to the Court's Order for Briefing (D.I. 40).

4   **A.   What is the current status of the *Square Enix* case pending in Texas,**

5   **and how would it affect *any* of the four related cases before this**

6   **Court?**

7   The *Square Enix* case in the Eastern District of Texas is still in its early stages.

8   Square Enix has not yet filed a responsive pleading, and the most recent docket entry

9   reflects an Order granting Uniloc 2017 LLC's ("Uniloc") motion for the appointment

10   of an international process server. *See Uniloc 2017 LLC v. Square Enix Holdings*

11   *Co., Ltd. et al.*, No. 2:19-cv-00221, D.I. 7 (E.D. Tex., Oct. 9, 2019). To the extent the

12   Eastern District of Texas court decides issues against Uniloc in that case, or Uniloc

13   takes certain positions before that court, Uniloc could be bound by those rulings or

14   positions consistent with applicable law, including principles of equitable estoppel

15   and *res judicata*. Infor and NetSuite are unaware of other specific reasons why the

16   *Square Enix* case would affect the related cases before this Court.

17   **B.   NetSuite, in its papers, contends that adopting Judge Schroeder's**

18   **claim construction would be dispositive of the case against it. Is this**

19   **also true of the infringement claims in the other cases (viz., the**

20   **claims in *Infor* and the counterclaims in *Square Enix* and *Ubisoft*)?**

21   Infor believes that if Judge Schroeder's claim construction were adopted, it

22   would likely preclude any infringement allegation against Infor, and would at a

23   minimum would narrow the case. Infor's pending motion to dismiss (Case No 8:19-

24   cv-1150, D.I. 35) is not based on this construction, however, but rather on Uniloc's

25   inability to plead compliance with 35 U.S.C. § 287(a) and failure to plead

26   infringement consistent with the Federal Circuit's eligibility decision in the *Uniloc v.*

27   *ADP* case.

28   Infor and NetSuite lack specific knowledge as to whether and to what extent

1   Judge Schroeder's prior *Markman* order affects or is relevant to the infringement

2   issues in the *Ubisoft*, and *Square Enix* cases.

3   Importantly, neither Infor nor NetSuite were parties to the cases in the Eastern

4   District of Texas that resulted in Judge Schroeder's *Markman* Order.[1]

5   On the other hand, Square Enix was a party to the prior Texas litigation that

6   resulted in Judge Schroeder's *Markman* ruling on the '578 and '293 patents, and

7   Ubisoft was involved in that *Markman* as it concerns the related '466 and '766

8   patents. *See Uniloc USA, Inc. et al v. AVG Techs. USA, Inc.*, No. 2:16-cv-00393, D.I.

9   210 (E.D. Tex. Aug. 16, 2017). Therefore, NetSuite and Infor are differently-situated

10   than Ubisoft, Square Enix, and Uniloc as it concerns *Markman* issues.

11   **C.   In its Supplemental Rule 26(f) Report, Uniloc refers to "an**

12   **interlocutory claim construction order" that is currently the subject**

13   **of a motion to reconsider. Is this claim construction the same one**

14   **that NetSuite contends would be dispositive of its case?**

15   Yes, but Judge Schroeder never labeled that ruling as "interlocutory" or ever

16   suggested that it was preliminary. Rather, Judge Schroeder issued a claim

17   construction order in the *ADP* cases after multiple rounds of briefing, and a full

18   *Markman* hearing. *See Uniloc USA, Inc. et al. v. ADP, LLC*, No. 2:16-cv-00741, D.I.

19   225 (E.D. Tex. Aug. 11, 2017). Uniloc recently moved for partial reconsideration of

20   Judge Schroeder's *Markman* order, but notably never asked Judge Schroeder to

21   modify his construction of "application program(s)" as to the '293 patent. *See Uniloc*

22   *USA, Inc. et al. v. ADP, LLC*, No. 2:16-cv-00741, D.I. 344 (E.D. Tex. Nov. 5, 2019).

23   Uniloc apparently concedes that the limiting arguments made during prosecution of

24   U.S. Patent No. 6,510,466 ("the '466 patent") apply with equal force to limit

25   _____

     [1] NetSuite's Motion to Dismiss (Case No. 8:19-cv-01151, D.I. 27) is based on the
26   proposition that Uniloc had an opportunity to argue the construction of the term
     "application program(s)" before Judge Schroeder, and should not get a complete re-
27   do as to NetSuite when it has not alleged, and appears unable to allege under Rule 11,
     infringement against NetSuite under Judge Schroeder's construction of "application
28   program(s)."

1   construction of the term "application program(s)" in the '293 patent—which is a

2   continuation of the '466 patent. *Id.* at 3-13. Uniloc simply disputes that the

3   prosecution history of the '466 patent is relevant to construction of the term

4   "application program(s)" in the '578 patent, *id.*, despite Judge Schroder's

5   (unchallenged) findings in his *Markman* order that the '578 patent incorporates by

6   reference the '466 patent and "explicitly states" that it is "related" to the '578 patent.

7   *See Uniloc USA, Inc. et al. v. ADP, LLC*, No. 2:16-cv-00741, D.I. 233 at 11-14 (E.D.

8   Tex. Aug. 16, 2017).

9   **D.**   **The Court is presently considering three options for consolidating**

10   **these cases:**

11   **(i)**   **Consolidating all four cases together;**

12   **(ii)**   **Consolidating *Square Enix* with *Ubisoft* (the declaratory judgment cases), and *Infor* with *NetSuite*; and**

13

14   **(iii)** **Consolidating *Ubisoft*, *Infor*, and *NetSuite*, but leaving *Square Enix* separate.**

15   **Which of these options – in light of the pending *Square Enix* action in Texas and this Court's interest in efficient case management – would provide for the most equitable and efficient resolution of these cases?**

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18   NetSuite and Infor believe that Option (ii) would be most equitable and

19   efficient.[2] Each of NetSuite and Infor have outstanding motions to dismiss and to

20   stay discovery pending resolution of those motions. Both motions to dismiss are tied,

21   at least in part, to Uniloc's failure to plead a plausible case of infringement consistent

22   with prior rulings from Judge Schroeder and the Federal Circuit regarding the '578

23   and '293 patents. Before the Court's transfer order, NetSuite and Infor were in a

24   similar procedural posture, with case management conferences set to proceed before

25   Judge Staton a week apart, and hearing dates on their respective motions set relatively

26   close in time.

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[2] Although Infor and NetSuite consent to consolidation of their cases for pretrial proceedings, they do not presently consent to consolidation for trial.

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