

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

ARENDI S.A.R.L.,)	
)	
Plaintiff,)	
)	
v.)	C.A. No. 13-919-JLH
)	
GOOGLE LLC,)	
)	
Defendant.)	
)	

LETTER TO THE HONORABLE JENNIFER L. HALL
FROM NEAL BELGAM REGARDING IPR EVIDENCE

Of Counsel:

SUSMAN GODFREY LLP
Seth Ard (*pro hac vice*)
Max Straus (*pro hac vice*)
1301 Avenue of the Americas, 32nd Floor
New York, NY 10019
sard@susmangodfrey.com
mstraus@susmangodfrey.com

SMITH, KATZENSTEIN & JENKINS LLP
Neal C. Belgam (No. 2721)
Daniel Taylor (No. 6934)
1000 West Street, Suite 1501
Wilmington, DE 19801
(302) 652-8400
nbelgam@skjlaw.com
dtaylor@skjlaw.com

Attorneys for Plaintiff Arendi S.A.R.L.

John Lahad (*pro hac vice*)
1000 Louisiana Street, Suite 5100
Houston, TX 77002-5096
jlahad@susmangodfrey.com

Kalpana Srinivasan (*pro hac vice*)
1900 Avenue of the Stars, Suite 1400
Los Angeles, CA 90067
ksrinivasan@susmangodfrey.com

Kemper Diehl (*pro hac vice*)
401 Union Street, Suite 3000
Seattle, WA 98101-3000
kdiehl@susmangodfrey.com

Dated: April 24, 2023

Dear Judge Hall:

During trial on April 24, the Court recognized and even Google conceded that basic facts about the *inter partes review* (IPR) proceeding are relevant to willfulness. As the Court noted, “I agree with Arendi that it is possible that the IPR has some probative value to the issue of willfulness.” Trial Tr. at 39:2. The Court noted, however, that it viewed that probative value as minimal and outweighed by the potential for juror confusion and prejudice to Google. *Id.* After the Court gave this guidance, Google put willfulness and representations regarding prior art in play. In doing so, it made clear that evidence regarding the IPR is highly probative and that its probative value far outweighs any potential for prejudice.

Arendi proposes, at least in the alternative, that the Court simply adopt the stipulation and limiting instructions that Google proposed this morning as a “compromise.” Dkt. 484 Exhibit A (stipulation) and B (limiting instruction). As Google explained in an email on Sunday night, Google believed this compromise, while not ideal, would “minimize jury confusion.” There is no reason not to enter it, given the probative value of this evidence.

The inability to reference the IPR at all is highly prejudicial to Arendi – especially when Google’s request for preclusion came the *day before trial*. Mr. Hedløy was expected to testify about the timeline of Google seeking IPR review, how it impacted whether he chose to reach out to Google before filing suit, and why it delayed assertion of infringement as to Google’s technology. Arendi had to omit that testimony from his examination; but Google conducted its cross examination to maximize that advantage about Google’s notice of the ’843 Patent and whether Arendi reached out to Google before filing suit:

Q. Sir, am I correct that at no time before filing this lawsuit in 2013 did you ever tell Google that they were infringing any patents of Arendi's? A. That's correct. Q. The first time that you would have alerted Google to the fact that you thought they were infringing any patents was when you filed the lawsuit in 2013; is that right? A. Correct. Q. And you made a conscious decision not to reach out to Google; is that right? A. Yes. Q. And you made that conscious decision together with your lawyers not to alert Google; is that right? A. Yes.

Trial Tr. at 244:23-245:3 (transcript excerpts attached as Exhibit A). Mr. Hedløy testified that he had concerns about Google taking legal action against him as a reason for not providing pre-suit notice. He could *not* testify that he was concerned about Google pursuing immediate review in the patent office and that this concern proved to be well founded.

Google also argued to the jury in opening that Arendi did not reach out to it, that it could not possibly infringe because there was no Google product accused of infringement, and that Arendi should have put Google on notice. Trial Tr. at 104:3-16. Again, the IPR shows that after Arendi filed suit, Google sought to invalidate the Patent – immediately recognizing that it was a threat and potential infringement problem for Google. This skewed description of events should be subject to rebuttal.

Similarly, during its opening, Google told the jury about all the ways it had defended itself from the moment Arendi filed suit against Google – including that it did not want or need Arendi’s technology and that it would defend itself by relying on CyberDesk and Apple Data Detectors. These arguments communicated to the jury that Google had a good faith basis to believe the Patent

was either not infringed or invalid. Without introducing the IPR, Arendi is not able to rebut this assertion by presenting evidence that Google knew of the risk the Patent was valid when it launched its Smart Text Selection product 2017 *because it had unsuccessfully petitioned the PTAB*. That state of mind is relevant here.

Separately, Google also *independently* opened the door to rebuttal by reference to the IPR proceeding by arguing and eliciting evidence that Arendi made representations to the patent office about the prior art references it reviewed and the patent office relied on those representations and Arendi's "duty of candor" in prosecuting its patents. For example, Google's counsel argued:

But what Arendi's lawyer did not tell you is that when Arendi presented CyberDesk and presented Apple Data Detectors, they disclosed only some of the capabilities of those systems, not all...

Trial Tr. 104:4-20. Google has thus told the jury that Arendi described the prior art in a way that is inconsistent with Arendi's current representations. And Google elicited evidence from Mr. Hedløy in attempt to show what he did and did not say in his filings to the patent office. *E.g.*, Trial Tr. 214:5-20. Had Arendi been able to examine Mr. Hedløy on it, it could have established that Google too had an opportunity to present art to the patent office and that if Arendi had not clearly explained what the art covered Google could have done so in its IPR proceedings.

Only limited evidence concerning the IPR is necessary to avert prejudice to Arendi. Specifically, all that is needed is to establish that (i) Google filed an IPR petition challenging the '843 Patent in 2013, (ii) the IPR was instituted, and (iii) the IPR did not invalidate the '843 Patent.

The basic facts of the IPR proceeding remain relevant. First, "[t]he IPR petition is plainly relevant to willfulness." *MicroVention, Inc. v. Balt USA, LLC*, No. 819CV01335JLSKES, 2022 WL 18284997, at *9 (C.D. Cal. Dec. 12, 2022) (allowing evidence regarding IPR petition at trial with "appropriate limiting instruction explaining the significance of a denial of IPR"); *see Contour IP Holding v. GoPro, Inc., LLC*, No. 3:17-CV-04738-WHO, 2021 WL 75666, at *8 (N.D. Cal. Jan. 8, 2021 (holding that "evidence from the IPR proceedings may be introduced" for purpose of showing willfulness). Second, that Google already brought an IPR petition seeking to invalidate the '843 Patent "on the basis of prior art consisting of patents or printed publications" under 35 U.S.C. § 311 – and was unsuccessful – is highly relevant to validity.

There is no basis for withholding basic facts about the IPR out of concern for potential prejudice to Google. Any potential prejudice arising from the limited nature of the IPR process (*e.g.*, that it could not have involved the CyberDesk "system") is properly addressed through a limiting instruction. In *Microsoft Corp. v. i4i Ltd. Partnership*, 564 U.S. 91, 111 (2011), the Supreme Court explained that improper effects on juries of introducing PTO determinations can be mitigated with a limiting instruction: "When warranted, the jury may be instructed to consider that it has heard evidence that the PTO had no opportunity to evaluate before granting the patent. When it is disputed whether the evidence presented to the jury differs from that evaluated by the PTO, the jury may be instructed to consider that question." The same principle applies here—the jury can easily be instructed that the PTAB and Federal Circuit had no opportunity to evaluate prior art "systems" that are distinct from printed publications during the IPR proceeding.

Respectfully,

/s/ Neal C. Belgam

Neal C. Belgam (No. 2721)

cc: Clerk of Court (via CM/ECF)
All Counsel of Record (via CM/ECF)