

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

ROBOCAST, INC.,)	C.A. No. 22-305-JLH-CJB
)	
Plaintiff and)	
Counterclaim Defendant,)	JURY TRIAL DEMANDED
)	
v.)	REDACTED
)	PUBLIC VERSION
NETFLIX, INC.,)	
)	
Defendant and)	
Counterclaim Plaintiff.)	

**NETFLIX, INC.’S CONCISE STATEMENT OF FACTS IN SUPPORT OF MOTION
FOR SUMMARY JUDGMENT OF UNENFORCABILITY DUE TO INEQUITABLE
CONDUCT**

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I. STATEMENT OF FACTS IN SUPPORT OF MOTION #3: SUMMARY JUDGMENT OF UNENFORCABILITY DUE TO INEQUITABLE CONDUCT

A. U.S. Patent Application No. 08/922,063 (the “’063 application”)

3.1. U.S. Patent Nos. 7,155,451 (the “’451 patent), 8,606,819 (the “’819 patent”), and 8,965,932 (the “’932 patent) (collectively, the “Asserted Patents”) all claim priority from U.S. provisional application No. 60/025,360 filed on September 3, 1996 (the “’360 provisional”) and U.S. Patent No. 08/922,063 (the “’063 application”) filed on September 2, 1997. Ex. 1 at Cover; Ex. 2 at Cover; Ex. 3 at Cover.

3.2. The ’451 patent is a continuation-in-part of the ’063 application, and the ’819 and ’932 patents are continuations of the ’451 patent. The Asserted Patents all incorporate the ’360 provisional and ’063 application by reference. Ex. 1 at 1:8-12; Ex. 2 at 1:6-14; Ex. 3 at 1:6-13.

B. The Torres Declaration And The Accompanying Hertzig Letter

3.3. During prosecution of the ’063 application, the U.S. Patent and Trademark Office (“USPTO”) examiner twice rejected the sole pending claim over the prior art combination of U.S. Patent Nos. 5,809,247 (“Richardson”) and 5,796,952 (“Davis”). Ex. 14 at 73, 87-90. Richardson’s priority date is July 22, 1996. Ex. 56 at Cover (showing a filing date of July 22, 1996).

3.4. Following the examiner’s rejections, on November 11, 1999, the named inventor Mr. Damon C. Torres submitted a declaration pursuant to 37 C.F.R. § 1.131, aimed to antedate Richardson (the “Torres Declaration”). Ex. 14 at 103-104 (Torres Declaration); *id.* at 98 (“Applicant herewith submits a Declaration pursuant to 37 C.F.R. Section 131 to overcome Richardson reference and has amended claim 1 to further define the invention.”); Ex. 53 (Aug. 5, 1999 email from Pozner to Torres with the subject line “damon must find antedating document re Patent by aug 14.”).

3.5. Mr. Torres declared to the USPTO that he “conceived in the United States the

invention claimed in the above-identified patent application prior to July 22, 1996,” and attached as Exhibit A “a copy of a letter that was faxed to a software consultant, Jon Hertzig, prior to the July 22, 1996 date” “illustrat[ing] the conception of this invention.” Ex. 14 at 103; *id.* at 106 (the “Hertzig Letter”).

3.6. The Torres Declaration stated as follows:

Attached Exhibit A, is a copy of a letter that was faxed to a software consultant, Jon Hertzig, prior to the July 22, 1996 date. The date on the letter has been redacted. The letter illustrates the conception of this invention. Briefly, the letter was written and sent by myself, Damon C. Torres, to Jon Hertzig, a tech writer, describing the invention as claimed in the above-identified patent application. With reference to the third and fourth paragraph of the letter, I describe my invention for users who are surfing sites to have a way to see more than one web page per click. The letter suggests means that are provided to “cue up many pages and have them automatically ‘play’ in your browser.” Furthermore, such an automated software scheduler and player could “automate search results,” “print dozens of pages on its own,” and enable users to “pick from pages that were made especially as a sequence, like a story.”

Ex. 14 at 103 (annotated).

3.7. The face of the Hertzig Letter indicated that it was sent “Via fax”:

Confidential. PATENT & TRADEM

Jon Hertzig
Via fax

Dear Jon,

I am writing to request your assistance on a new project that I have been working on. As a tech writer, you probably have a good perspective on the following software product idea. I must ask that you keep the information that I am putting forth in the strictest non-disclosure since I want to keep this product idea a secret until I can make it a reality. I am also investigating the patenting process, which is not only another reason to keep it secret, but another reason that I could benefit from your skills in describing software usage.

Ex. 14 at 106.

C. Mr. Torres's Admissions During Robocast's Prior Litigation Against Microsoft

3.8. In 2010, Robocast sued Microsoft for patent infringement of the '451 patent in *Robocast Inc. v. Microsoft Corp.*, No. 10-1055-RGA, D.I. 1.

3.9. On January 31, 2013, Microsoft deposed Mr. Torres in the prior litigation. Ex. 17.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

3.10. The Hertzig Letter stated "Via fax" even though it was not faxed. Ex. 14 at 106.

3.11. Likewise, the Torres Declaration inaccurately stated that the Hertzig Letter "was faxed to a software consultant, Jon Hertzig, prior to the July 22, 1996 date." Ex. 14 at 103 ("Attached [as] Exhibit A, is a copy of a letter that was faxed to a software consultant, Jon Hertzig, prior to the July 22, 1996 date.").

3.12. Mr. Steven Rizzi, Robocast's litigation counsel, was present at the deposition of Mr. Torres [REDACTED] on January 31, 2013, and thus was aware at least as of that time [REDACTED]

[REDACTED] (showing Mr. Rizzi as appearing at the January 31, 2013 deposition of Mr. Torres).

3.13. Mr. Joseph Sofer, Robocast's prosecution counsel, [REDACTED]

[REDACTED]

[REDACTED]

3.14. When Mr. Torres testified on January 31, 2013, the applications that ultimately issued as the '819 and '932 patents were still pending. Ex. 2 at Cover; Ex. 3 at Cover.

3.15. In 2013, at least Mr. Torres as the inventor and Mr. Sofer as prosecution counsel had a duty of candor to the USPTO under 37 C.F.R. § 1.56.

3.16. [REDACTED]

3.17. The file histories of the '451, '819, and '932 patents do not show any record of any attempt to cure by Mr. Torres, Mr. Rizzi, Mr. Sofer, or anyone else, the inaccurate statements in the Torres Declaration or Exhibit A (the Hertzig Letter) to the Patent Office that Mr. Torres never actually faxed the Hertzig Letter to Mr. Hertzig.

D. The Court's Denial Of Robocast's Motion to Strike Microsoft's Inequitable Conduct Defense

3.18. In the *Microsoft* litigation, Microsoft asserted an affirmative defense of inequitable conduct based, in part, on the false Torres Declaration. *Robocast Inc. v. Microsoft Corp.*, No. 10-1055-RGA (D. Del. Feb. 13, 2013), D.I. 169 (redacted version).

3.19. Robocast moved to strike Microsoft's inequitable conduct defense. *Robocast Inc. v. Microsoft Corp.*, No. 10-1055-RGA (D. Del. Feb. 13, 2013), D.I. 226.

3.20. On July 19, 2013, the Court held a hearing on Robocast's motion to strike. At the hearing, the following exchange occurred:

THE COURT: If Mr. Torres made up this letter in 1999, that screams intent to deceive, doesn't it?

MR. RIZZI: I agree with that, your Honor. I mean I agree they've pled sufficiently.

* * *

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