EXHIBIT 1

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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

EMERSON ELECTRIC CO., FISHER-ROSEMOUNT SYSTEMS, INC., and ROSEMOUNT INC., Plaintiffs, v. SIPCO LLC, and IP CO., LLC (d/b/a INTUS IQ) Defendants.	Civil Action No. 1:15-CV-00319-AT

PLAINTIFFS' REPLY IN SUPPORT OF MOTION TO
<u>ENJOIN PROSECUTION OF THE SECOND-FILED TEXAS ACTION</u>

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SIPCO's Opposition Brief, like the numerous filings it has made in the duplicative Texas action, fails to establish a basis for requiring two district courts to proceed in parallel with such closely related litigations. For reasons that it has kept to itself, SIPCO, headquartered in Atlanta, is doing everything it can to split a single dispute into two parts, with one part being tried here and the second being tried in the Eastern District of Texas. But this does not promote a just, speedy or inexpensive resolution.

SIPCO has never asked this Court to transfer this, the first-filed action, to Texas and it has not asked the Texas court to enjoin Emerson's prosecution of this action. SIPCO's apparent preference is to compound the dispute by maintaining two separate actions, one in this district where SIPCO resides and one in a district in which neither the Emerson parties nor the SIPCO parties have any substantial connection. Apparently recognizing the tenuousness of its reasons for proceeding with the second action, SIPCO amended its Texas complaint to add three BP entities. According to SIPCO, BP's use of the products purchased from Emerson, the very same products SIPCO relies upon to accuse Emerson of infringement in both this and the Texas action, constitutes an act of infringement. None of this, changes the fact that these two proceedings substantially overlap and this Court should enjoin SIPCO from further prosecution of the second-filed Texas action.

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I. Mr. Petite's Ancestry and Personal Recognitions Are Not Relevant

SIPCO's lead argument relates to Mr. Petite's personal and ancestral background, and his professional recognitions. (Doc. 66, pp. 3-4). None of that, however, is relevant to any issue in this or the Texas case, including the issue of whether two overlapping cases should proceed in parallel.

II. The White-Rogers License Does Not Justify the Second Action in Texas

The existence of a license under the patents in suit here and in Texas likewise fails to provide a basis for SIPCO to continue prosecution of the substantially overlapping Texas action. The license SIPCO granted to the White-Rodgers Division of Emerson is restricted to a specific product category, with very limited sales. Over the life of that license, White-Rodgers has paid less than ten-thousand dollars in royalties to SIPCO. That amount did not justify the expense of a patent infringement action.

If anything, the existence of the White-Rodgers license supports the consolidation of these two cases. That license grants rights to the White-Rodgers Division under every patent in the '511 and the '062 patent families – including the two patents at issue in this action and every one of the related patents SIPCO asserts in the Texas action. SIPCO candidly admits that it "licenses its entire SIPCO and IPCO patent portfolio to its licensees." (Doc. 66, p. 11, fn. 7).

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Because SIPCO licenses its patents as a bundle, not on a patent-by-patent basis, any damage award should be based on a license of the entire patent bundle, eliminating any basis to obtain a double recovery. *See, e.g.*, *Georgia-Pacific v. United States Plywood Corp*., 318 F.Supp. 1116 (S.D.N.Y. 1970) (existing license practices used in computing reasonable royalty).

III. No Equitable Factors Trump Application of the First-to-File Rule Here

Courts have on occasion found that the filing of a preemptive action can trump application of the First-to-File rule. *See Spanx, Inc. v. Times Three Clothier, LLC*, No. 1:13-cv-710-WSD, 2013 WL 5636684, at *4 (N.D. Ga. Oct. 15, 2013). The equitable trigger in each of those cases, however, is an affirmative statement by a patent owner that it would file an action by a date certain and the accused infringer races to the courthouse. *See, e.g., Alden Corp. v. Eazypower Corp*., 294 F.Supp.2d 233, 236 (D. Conn. 2003) (declaratory judgment action did not improperly preempt patent owner's filing where pre-filing communications did not state a date or forum for such filing). Here, SIPCO never made such a promise. Rather, after exchanging positions, Emerson recognized that it and SIPCO fundamentally disagreed on two points: (i) whether SIPCO's patents covered Emerson's products and (ii) whether SIPCO's patents are valid over the prior art.

Accordingly, Emerson's complaint in this action cannot be treated as

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