IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

TRADING TECHNOLOGIES INTERNATIONAL, INC.	)	Case No. 10 C 715
	)	**(Consolidated with:**
Plaintiff,	)	10 C 716, 10 C 718, 10 C 720, 10 C 721, 10 C 726, 10 C 882, 10 C 883, 10 C 884, 10 C 885, 10 C 929, 10 C 931)
v.	)	
BCG PARTNERS, INC.	)	
Defendant.	)	Judge Virginia M. Kendall

POSITION STATEMENT OF THE TD AMERITRADE DEFENDANTS ON THE FEDERAL CIRCUIT'S DECISION IN *OEC* AND HOW THIS CASE SHOULD PROCEED

This Court requested in its February 6, 2014 minute order that the parties file independent position papers addressing the effect of the Federal Circuit's decision in *Trading Technologies International, Inc. v. Open E Cry, LLC*, 728 F.3d 1309 (2013) ("*OEC*") on Defendants' Renewed Motion For Summary Judgment That The '411 Patent Is Invalid Under 35 U.S.C. §112 ¶1 For Lack Of Written Description (Dkt. #515-518) and whether a claim construction hearing is necessary to resolve Defendants' Renewed Motion. Defendants thinkorswim Group Inc., TD Ameritrade, Inc., and TD Ameritrade Holding Corp. (collectively "TD Ameritrade")[1] respectfully submit that this Court should set a briefing schedule and decide Defendants' Renewed Motion before proceeding with the remainder of the case, and that no claim construction is necessary to decide that motion.

[1] Wilson Sonsini Goodrich & Rosati also represents defendants IBG LLC and Interactive Brokers LLC (collectively "IBG") and has submitted a separate position statement on behalf of IBG.

In *OEC*, the Federal Circuit remanded for this Court to determine "in the first instance based on its own review of the disclosures" whether the claims of U.S. Patent No. 7,676,411 (the "'411 patent") fail to satisfy the written description requirement. 728 F.3d at 1320. The Federal Circuit expressly stated "no opinion" on this issue, leaving "that determination for the district court to make." *Id.* The Federal Circuit determined only that its prior determination in *Trading Technologies International, Inc. v. eSpeed, Inc.*, 595 F.3d 1340 (Fed. Cir. 2010) ("*eSpeed*") "did not settle the issue." *Id.* Accordingly, TD Ameritrade believes that this Court should now make that determination on the merits.

In addition, no separate claim construction hearing is necessary to resolve Defendants' Renewed Motion for two reasons: first, there is no dispute as to the construction of "price axis" – the claim term relevant to Defendants' Renewed Motion; and second, even if any limited claim construction was necessary, that can be done in the context of summary judgment proceedings. Moreover, deciding Defendants' Renewed Motion now will simplify the issues in this case because an invalidity finding on the '411 patent also determines invalidity on two additional patents – U.S. Patent Nos. 7,904,374 (the "'374 patent") and 7,693,768 (the "'768 patent") – and it may encourage settlement. Accordingly, TD Ameritrade believes that this Court should proceed on Defendants' Renewed Motion first.

I. This Court Should Proceed With Defendants' Renewed Motion

All but one defendant previously filed a motion for summary judgment asserting that the '411 patent was invalid for lack of written description under 35 U.S.C. §112 ¶1. Dkt. # 379. Defendants raised two independent bases for finding the '411 patent invalid for lack of written description: (1) because of the Federal Circuit's determinations in *eSpeed* regarding what the patent specification did or did not disclose; and (2) because the specification did not disclose that

the inventors were in possession of, or had invented, an invention with a price axis that moves other than through manual recentering (*e.g.*, price axes that move automatically). *Id.*

Trading Technologies International, Inc. ("TT") filed an opposition to this motion arguing that *eSpeed* was not dispositive of the written description issue, and filed a cross-motion arguing that the '411 patent has sufficient written description. Dkt. #395. In that briefing, TT admitted that the claims of the '411 patent are not limited to a display with price axes that are "static" and move only through manual recentering. *Id.*

This Court determined that the '411 patent was invalid based on *eSpeed* and, therefore, found that it did not need to address the second independent ground. TT thereafter agreed that this Court's determination on the '411 patent also determined the invalidity of the '374 and '768 patents (Dkt. #458 at 2) and then appealed this Court's ruling to the Federal Circuit.

On appeal, TT again conceded that the claims of the '411 patent are not limited to a display with price axes that are "static" and move only through manual recentering. Dkt. #518, at Ex. 10, pp. 19, 21-22. TT also argued again that *eSpeed* was not dispositive of the written description issue. While defendants opposed TT's arguments regarding *eSpeed* in their appeal briefing, defendants also asked that the Federal Circuit affirm this Court's ruling on an alternative ground that had been raised below – that, independent of *eSpeed*, the claims of the '411 patent fail to satisfy the written description requirement. The Federal Circuit, however, declined to reach this independent ground.

The Federal Circuit held "only that *eSpeed* did not settle" the written description issue. 728 F.3d at 1320. The Federal Circuit expressly stated that it expressed "no opinion as to whether or not the claims of the '411, '768, and '374 patents" "satisfy the written description requirement." *Id.* Instead, the Federal Circuit remanded to this Court "for further proceedings

on the merits under §112" leaving "that determination for the district court to make in the first instance based on its own review of the disclosures underlying those particular claims." *Id.* That is exactly what Defendants' Renewed Motion asks this Court to do now.

In issuing its ruling, the Federal Circuit reconfirmed that the '132 patent, which shares the identical written description of the '411 patent, "explains that the values in the price column, 'are static; that is, they do not normally change positions unless a recentering command is received,'" and the recentering command described is a manual "'one click' centering feature." *Id.* at 1314. The Federal Circuit also reiterated that the term "static" requires a price display that does "not move in response to changes in the inside market, expressly excluding displays that re-center automatically when the inside market shifts" and that moves only in response to a "manual re-centering command." *Id.* at 1314-1315. Further, the Federal Circuit noted that TT intentionally removed the term "static" from the claims that led to the '411 patent during prosecution such that the issued '411 patent claims are "without limitation to a 'static' price column display." *Id.* at 1315. Given this, the Federal Circuit found that "the question here is whether the patents' common disclosure provides adequate support for claims not limited to displays with 'static' price axes, *i.e.*, claims broad enough to encompass some form of automatic recentering" but that the *eSpeed* decision did not answer that question. *Id.* at 1319. Accordingly, this Court need only to resolve whether claims that are ***not*** limited to a display of "static" price axes are supported by a disclosure that describes ***only*** a "static" price column – one that does not change positions unless a manual recentering command is received. *See* Dkt. #518. Because that question was expressly left for this Court to decide and it is the very question raised by Defendants' Renewed Motion, TD Ameritrade respectfully requests that this Court proceed to

decide that question now by hearing Defendants' Renewed Motion and setting a briefing schedule for it.

II. A Claim Construction Hearing For Defendants' Renewed Motion Is Not Needed

There is no need for this Court to first conduct a claim construction hearing prior to reaching the merits of Defendants' Renewed Motion. First, as the Federal Circuit noted and TT has repeatedly conceded, the claims of the '411 patent are not limited to a "static" price column display as that term was construed in *eSpeed*. In other words, there is no dispute that the claims do not exclude a price axis that moves automatically. Second, there is no dispute as to the meaning of "price axis." TT has stated that a "price axis" is a "line of prices." Dkt. #395 at 23; Dkt. #518-1 at 10. Third, in opposing defendants' prior summary judgment motion and in bringing its own cross-motion, TT never asserted that there were any claim construction disputes relevant to the written description of the '411 patent. *See* Dkt. #395. Accordingly, to resolve Defendants' Renewed Motion, there are no claim terms that are in controversy and therefore there is nothing for this Court to construe. *See Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999) ("only those terms need be construed that are in controversy, and only to the extent necessary to resolve the controversy").

Even if any claim construction were necessary to resolve Defendants' Renewed Motion, it can be done in conjunction with proceedings on Defendants' Renewed Motion. Because claim construction is a question of law to be decided by a court, it may "be done in the context of dispositive motions such as those seeking judgment as a matter of law." *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 981 (Fed. Cir. 1995) (en banc), *aff'd*, 517 U.S. 370 (1996); *see, e.g., MagSil Corp. v. Hitachi Global Storage Techs., Inc.*, 687 F.3d 1377, 1381 (Fed. Cir. 2012) (construing claims as part of an invalidity summary judgment motion).

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