UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
TYLER DIVISION

TracBeam, LLC, Plaintiff, v. T-Mobile US, Inc., et al., Defendants.	Case No. 6:14-cv-678-RWS **LEAD CASE**
TracBeam, LLC, Plaintiff, v. Apple Inc., Defendant.	Case No. 6:14-cv-680-RWS **Consolidated case**

Joint Motion to Resolve Disputes and Enter Docket Control Order

The parties in the above-consolidated cases have met and conferred and resolved all disputes concerning the proposed Docket Control Order except one. As shown in the attached proposed Docket Control Order (exhibit 1), Defendants seek to include in the Docket Control Order preliminary and final dates for the Plaintiff to narrow the number of asserted claims and for Defendants to narrow the number of asserted prior art references. Plaintiff opposes the inclusion of such dates. The parties' respective positions are set forth below.

I. Plaintiff TracBeam's position.

Defendants ask this Court to adopt and include in the Docket Control Order a modified version of the Model Order Focusing Patent Claims and Prior Art (General Order No. 13-20). Defendants' proposed variation on the model order is shown in the following chart:

Event	Model Order	Defendants' proposal
Plaintiff's Preliminary Election of Asserted Claims	**September 17, 2015** ["the date set for completion of claim construction discovery"], ¶2[1]	**June 1, 2015**
Defendants' Preliminary Election of Asserted Prior Art	**October 1, 2015** [14 days after Plaintiff's Preliminary Election], ¶2	**June 29, 2015** [28 days after Plaintiff's Preliminary Election]
Plaintiff's Preliminary Election of Asserted Claims	**March 3, 2016** [28 days before initial expert reports]	**February 29, 2016** [31 days before initial expert reports]
Defendants' Final Election of Asserted Prior Art	**March 31, 2016** [date of rebuttal expert reports] "no more than six asserted prior art references per patent from among the twelve prior art references previously identified for that particular patent and no more than a total of 20 references. For purposes of this Final Election of Asserted Prior Art, each obviousness combination counts as a separate prior art reference," ¶3.	**March 31, 2016** [same] "no more than six (6) primary prior art references against each patent and no more than twenty (20) primary references from among the prior art references identified in the Preliminary Election of Asserted Prior Art (**with no limit on the number of references used for obviousness combinations**)."

Defendants' proposal should be rejected.

First, the Court should decline to adopt the model order when one party reasonably objects to its adoption. The model order is not mandatory.[2] Rather, it is a tool for the parties to

[1] In the attached proposed Docket Control Order the parties have agreed that September 17, 2015 is the claim construction discovery cut-off.

[2] Indeed, the working group that created the model order adopted in this District declined to make the preliminary and final elections mandatory because it wanted the courts and the litigants to have greater flexibility in determining what was appropriate for each particular case. *See* Advisory Committee Commentary re Model Order at 4 ("After consideration, the working group determined that a revised version of the Model Order could be helpful to practice in the Eastern District. However, rather than incorporating the revised version in the Local Rules, the working group recommended including it as an appendix to the Local Rules, much like the version of the Model Order Regarding E-Discovery which was adopted by the court. This approach allows flexibility for both litigants and the court to tailor limits on asserted claims and prior art references based on differing facts, case to case. This approach also

use in reaching agreements about how to streamline the case in a way that is mutually beneficial. If one side does not want to adopt the model order, it can be presumed that that party does not consider the model order to be mutually beneficial or to provide the most efficient path toward streamlining the case. And if that party is reasonable in objecting to the model order's adoption, their objections should be heard and sustained. That is the situation here.

We have asserted a large number of claims against both Defendants and we agree that this case will require streamlining before expert reports and trial.[3] But we object to the adoption of the model order (or any variation on it) at this stage because it is premature. As the case progresses through disclosures, discovery, and claim construction there will be numerous opportunities for the parties to discuss focusing the case—with the benefit or more information than either side has at this stage—and to determine how much narrowing should be done and when it should be done. That is in fact what happened in the prior case, where the parties reach numerous compromise agreements along the way that led to the dropping of claims and of prior art.[4] We request the same opportunity to allow this case to progress naturally and to at least begin taking discovery from Defendants before firm deadlines for narrowing claims and firm limits on how many claims we assert are imposed. Accordingly, we request that this Court

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allows the court to decide questions that may arise regarding the interpretation or application of the recommended limits in a particular case without having to generally construe or interpret a local rule.").

[3] TracBeam has asserted the same four patents against each of Defendants Apple and T-Mobile. TracBeam's infringement contentions assert that Apple infringes 19 independent claims and an additional 101 dependent claims. The contentions assert that the T-Mobile Defendants collectively infringe 25 independent claims and an additional 121 dependent claims.

[4] In the prior case, TracBeam ultimately narrowed the number of claims asserted against AT&T and Google (the last two Defendants) to just two claims and one claim, respectively, and Defendants in turn narrowed the number of asserted prior art references. The parties' mutual narrowing resulted from a series of compromises on many issues, including agreements that were critical to resolving disputes that would have otherwise led to motion practice on discovery issues and other disputes. In this case Defendants argue that we started out with far fewer asserted claims than we assert here. That is true, and is the result of our greater experience understanding the patents and the issues that are likely to arise in this case. But this is not a reason for adopting the model order in this case over our objections and depriving us the ability to determine in discovery which of the asserted claims are strongest for purposes of infringement, validity, and damages.

allow the natural progression of this case to narrow the claims and asserted art rather than adopt the model order at the outset of the case. This is the approach that Judge Gilstrap took in the *Thomas Swan* case, in which a similar number of claims were asserted.

> Having considered the motion and the parties' briefing, the Court is persuaded that although the more than one hundred currently-asserted claims would be unmanageable at the expert-report stage of this case or at trial, Defendants' efforts to narrow the asserted claims and prior art references are premature. The Court is further persuaded that the Markman process acts to naturally winnow parties' disputes, and as such, requests to limit claims and/or prior art references are generally more appropriate during or following the submission of the Parties' claims construction briefing…. Accordingly, Defendants' motion is DENIED WITHOUT PREJUDICE to Defendants' re-urging the issue after the parties have completed claim construction briefing.

Thomas Swan & Co. Ltd., v. Finisar Corporation, et al., 2:13-cv-178-JRG (E.D. Tex. April 11, 2014), dkt. 125 at 2.[5]

Second, the Court should not adopt Defendants' modified version of the model order. Defendants have made various adjustments to the model order that are one-side. Under Defendants' proposal:

- TracBeam would be required to make its Preliminary Election more than three months earlier than it would under the model order. And TracBeam would have to do so prior to even receiving Defendants' invalidity contentions or claim construction proposals, whereas the model order would allow us to not only take extensive infringement discovery, receive Defendants' invalidity contentions, and complete claim construction discovery before making our Preliminary Election.

[5] Earlier today, in response to TracBeam's request that Defendants identify any cases in which the court adopted the model order over the Plaintiff's objections, Defendants identified *SmartFlash v. Google*, 6:14-cv-00435-JRG-KNM. The Docket Control Order (dkt 94) in that case does include Preliminary and Final Election events. However, it appears that the relevant briefing on the parties' dispute was filed under seal so we cannot assess the facts of that case and how they may differ from those here. In addition, we are also aware of Judge Payne ordering that the Plaintiff narrow claims in *Phoenix Licensing LLC v. AAA Life Insurance Company*, 2:13-cv-1081-JRG-RSP (E.D. Tex. March 11, 2015), dkt. 402. In that case there were nearly 300 claims asserted against the Defendant.

- Defendants would be permitted to delay their Preliminary Election by an additional two weeks.
- Defendants' Final Election would allow them to assert an unlimited number of prior art combinations for obviousness purposes, whereas the model order treats each combination as one of the forty total references.

Defendants cannot justify these proposed modifications.

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For the foregoing reasons, TracBeam respectfully requests that the Court decline to adopt the model order (or any variation of it) at this stage in the case.

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