

Krickl, Lauren

From: Warren McCarty <wmccarty@caldwellcc.com>
Sent: Monday, May 2, 2016 10:03 AM
To: Morton, Phillip; windycity@caldwellcc.com
Cc: McBride, John W.; Yang, Irene; Cederoth, Richard A.; Keefe, Heidi
Subject: RE: Windy City v. Facebook / Microsoft - Request to Identify Asserted Claims

Hi Phillip,

It seems like you are determined to burden the Court with this issue. While Windy City would prefer not to bring case-narrowing disputes like this to the Court (especially now, when the dispute is in its infancy and the parties have not even discussed it via telephone), we cannot agree to drop 95% of claims and serve some form of final claim elections to Defendants in a matter of days. As I stated before, we would be more than willing to discuss a limit on the number of claims that are asserted in Windy City's infringement contentions (assuming we get some form of reciprocity from Defendants). But it's now clear that narrowing the case isn't your goal; it appears that you just want Windy City to tell you which 40 claims to IPR. Besides being procedurally improper, your proposal is just way too late. You could have raised this months ago, but you guys ignored this issue for something like 320 days, only now to demand that Windy City bail you out and enter into this one-sided agreement. Your proposal is impractical, and actually has little to do with narrowing the district court case.

I do appreciate your offer to allow Windy City's experts to review source code before discovery opens in this case. I think that's a great idea. As I'm sure you will understand, it is unworkable to negotiate a protective order, get all parties to sign off on that order, hire source code reviewers, disclose those reviewers to Defendants and get them cleared, make them available to review code, send them across the country to different facilities to review code, analyze the code, and make these near-final elections, all in a matter of days. That process takes months. I think we can go ahead and start working on a protective order, though. Maybe we can shoot for some early source code review days in July before infringement contentions are due.

In short, if you are dead-set on filing your motion, then please mark Windy City as opposed. If, on the other hand, you'd like to have a productive discussion about reducing the number of claims and prior art in this case, I would be happy to do so. I am available in my office today at 5pm central, or generally tomorrow morning. Just let everyone know if/when you plan on calling so we can get someone from Microsoft on the line too.

Thanks,
Warren

-----Original Message-----

From: Morton, Phillip [mailto:pmorton@cooley.com]
Sent: Saturday, April 30, 2016 6:03 AM
To: Warren McCarty <wmccarty@caldwellcc.com>; windycity@caldwellcc.com
Cc: McBride, John W. <jwmcbride@sidley.com>; Yang, Irene <irene.yang@sidley.com>; Cederoth, Richard A. <rcederoth@sidley.com>; Keefe, Heidi <hkeefe@cooley.com>
Subject: Re: Windy City v. Facebook / Microsoft - Request to Identify Asserted Claims

Warren-

Thank you for responding to my email. Below are answers to your questions on behalf of Facebook. Please confirm by the end of the day Monday whether Windy City opposes Facebook's motion. Otherwise, we will assume Windy City's opposition and note for the Court that Windy City declined to meet and confer.

1) "The current deadline to serve initial disclosures in the Facebook case is less than 45 days after your proposed narrowing date, and Windy City will serve its infringement contentions in July, what is the newfound burden facing Defendants in the interim (particularly in light of Defendants' decision to wait so long to raise this concern in the first place)?"

Response: The issue of Windy City's failure to identify any asserted claims was raised in both Defendants' motions to dismiss. As you know, Facebook's motion to transfer was pending before the Court in North Carolina for over 6 months. After the case was transferred to California, Facebook promptly raised the issue here. In addition, the deadline for filing IPRs is a five weeks away, and Windy City's ongoing refusal to identify any asserted claims significantly prejudices the parties' efforts to prepare IPR petitions focused on the claims Windy City actually intends to assert.

2) "Do Defendants have a proposal for a reciprocal narrowing, and early identification of, prior art? If so, what is Defendants' proposal?"

Response: Facebook believes this case should be narrowed to a reasonable scope, including the narrowing of claims as both defendants have requested and focused prior art invalidity contentions after receiving Windy City's infringement contentions (which are necessary to understand how Windy City is reading its claims on the Defendants' products and services given the vagueness of Windy City's complaint). The scope of any narrowing will of course depend on the claims selected by Windy City, the accused products and whether the same claims will be asserted against both defendants.

3) "In the reciprocal narrowing of prior art, do Defendants agree to treat each obvious combination as a separate reference?"

Response: If you are referring to the prior art assertions of A, A+B, A+B+C and A+C being 4 grounds, instead of 3, we think that such an agreement could be reached as part of a negotiated agreement to narrow the asserted claims.

4) "In the reciprocal narrowing of prior art, do Defendants agree to be bound by each other's elections (i.e. the total limit on prior art references is across both cases)?"

Response: Without knowing which claims are selected, which products are accused, and whether the same claims will be asserted against both defendants, Facebook cannot yet agree to this proposal.

5) "Does Defendants' proposal include withdrawing the pending 12(b)(6) motions as to direct infringement if Windy City narrows its claims at this early stage?"

Response: No. Facebook's pending 12(b)(6) motion relates to broader issues than the selection of claims.

6) "Do Defendants intend to answer the Complaints if Windy City narrows its claims at this early stage?"

Response: Facebook will answer the complaints at an appropriate time after the Court addresses the motion to dismiss.

7) "Do Defendants plan on filings IPRs? If so, do Defendants agree that any early claim elections are without prejudice to electing new claims depending on the status of the IPR proceedings?"

Response: As noted above, Facebook intends to file IPRs. The whole point of this request is to narrow this case to a realistic scope for the benefit of the Court and the PTAB. Facebook does not agree that Windy City can constantly shift the asserted claims in this case as it sees how the IPR petitions play out at the PTAB.

8) "If Defendants do plan on filing IPRs, do they intend to also move to stay the district court proceedings?"

Response: The Defendants have not decided on that issue yet. Would Windy City agree to stay the district court litigation pending decisions on the IPRs?

"As you know, Windy City has taken no discovery at this point, making it prejudicial and particularly burdensome to blindly remove 95% of the claims from the case at this early stage, and identify to Defendants in a matter of days the 5% that are remaining. The Court's schedule/local rules for initial disclosures and infringement contentions set out a timeline for the parties to make these disclosures, and while Windy City is happy to discuss ways to narrow the cases along the way in a fair and logical manner, it also wants to follow the guidance and schedules set forth by the Courts and the local rules."

Response: Upon entry of a protective order, Facebook will be happy to make its source code available for review by Windy City's counsel and approved experts prior to the May 15 deadline (a benefit not afforded to Windy City under the patent local rules before providing infringement contentions).

"On a final note, your claim that Windy City has multiplied the litigation is inaccurate, and unnecessary. "Multiplying" proceedings under 28 U.S.C. § 1927 relates to recklessness and bad faith behavior; not the number of claims that were granted in a particular asserted patent. And your observation that Windy City has not yet "identified" claims is puzzling—initial disclosures and infringement contentions are due in the coming weeks, as outlined in the recent orders from Judges Seeborg and Gonzalez Rogers. Windy City strives to handle disputes between the parties professionally and responsibly; we hope that you and other members of your firm will approach this case in a like manner, and refrain from making veiled threats of the kind contained in your first email below."

Response: We did not raise Section 1927, you did. The record thus far in this case speaks for itself.

Regards,
Phil

Phillip E. Morton
Cooley LLP
Direct: +1 202 728 7055 * Cell: +1 703 298 2746

On 4/26/16, 4:11 PM, "Warren McCarty" <wmccarty@caldwellcc.com> wrote:

>Phillip,
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>Thank you for your email. Windy City is always willing to discuss ways to streamline the cases throughout the litigation where possible and when appropriate. However, we're not sure why you're now requesting Windy City to drop claims when this case has been pending for 10 months without any effort from Defendants to advance it. Some clarity from y'all on the reason for the urgency would help frame any discussions. In any event, our client will need more than the 1 or 2 business days you offered to consider a proposal of this magnitude--eliminating 95% of the claims from the cases. In the meantime, it would move things along if you could please answer some clarifying questions below so that Windy City can understand, and fully evaluate your proposal:

>
>1. The current deadline to serve initial disclosures in the Facebook case is less than 45 days after your proposed narrowing date, and Windy City will serve its infringement contentions in July, what is the newfound burden facing

Defendants in the interim (particularly in light of Defendants' decision to wait so long to raise this concern in the first place)?

>2. Do Defendants have a proposal for a reciprocal narrowing, and early identification of, prior art? If so, what is Defendants' proposal?

>3. In the reciprocal narrowing of prior art, do Defendants agree to treat each obvious combination as a separate reference?

>4. In the reciprocal narrowing of prior art, do Defendants agree to be bound by each other's elections (i.e. the total limit on prior art references is across both cases)?

>5. Does Defendants' proposal include withdrawing the pending 12(b)(6) motions as to direct infringement if Windy City narrows its claims at this early stage?

>6. Do Defendants intend to answer the Complaints if Windy City narrows its claims at this early stage?

>7. Do Defendants plan on filings IPRs? If so, do Defendants agree that any early claim elections are without prejudice to electing new claims depending on the status of the IPR proceedings?

>8. If Defendants do plan on filing IPRs, do they intend to also move to stay the district court proceedings?

>

>As you know, Windy City has taken no discovery at this point, making it prejudicial and particularly burdensome to blindly remove 95% of the claims from the case at this early stage, and identify to Defendants in a matter of days the 5% that are remaining. The Court's schedule/local rules for initial disclosures and infringement contentions set out a timeline for the parties to make these disclosures, and while Windy City is happy to discuss ways to narrow the cases along the way in a fair and logical manner, it also wants to follow the guidance and schedules set forth by the Courts and the local rules.

>

>On a final note, your claim that Windy City has multiplied the litigation is inaccurate, and unnecessary. "Multiplying" proceedings under 28 U.S.C. § 1927 relates to recklessness and bad faith behavior; not the number of claims that were granted in a particular asserted patent. And your observation that Windy City has not yet "identified" claims is puzzling—initial disclosures and infringement contentions are due in the coming weeks, as outlined in the recent orders from Judges Seeborg and Gonzalez Rogers. Windy City strives to handle disputes between the parties professionally and responsibly; we hope that you and other members of your firm will approach this case in a like manner, and refrain from making veiled threats of the kind contained in your first email below.

>

>If you could please answer the questions above, that would help move along the process while we discuss with our client. Thank you.

>

>Best Regards,

>Warren

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>-----Original Message-----

>From: Morton, Phillip [mailto:pmorton@cooley.com]

>Sent: Tuesday, April 26, 2016 11:58 AM

>To: Warren McCarty <wmccarty@caldwellcc.com>; windycity@caldwellcc.com

>Cc: McBride, John W. <jwmcbride@sidley.com>; Yang, Irene <irene.yang@sidley.com>; Cederroth, Richard A. <rcederroth@sidley.com>; Keefe, Heidi <hkeefe@cooley.com>

>Subject: Re: Windy City v. Facebook / Microsoft - Request to Identify Asserted Claims

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>Warren-

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>We have not received any response to our request to meet and confer regarding the below. Please let me know when you are available to meet and confer today.

>

>Regards,

>Phil

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>Phillip E. Morton

>Cooley LLP

>Direct: +1 202 728 7055 * Cell: +1 703 298 2746

>

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>From: Phillip Morton <pmorton@cooley.com<mailto:pmorton@cooley.com>>

>Date: Thursday, April 21, 2016 at 6:36 PM

>To: Warren McCarty <wmccarty@caldwellcc.com<mailto:wmccarty@caldwellcc.com>>,
"windycity@caldwellcc.com<mailto:windycity@caldwellcc.com>"

<windycity@caldwellcc.com<mailto:windycity@caldwellcc.com>>

>Cc: "McBride, John W." <jwmcbride@sidley.com<mailto:jwmcbride@sidley.com>>, "Yang, Irene"

<irene.yang@sidley.com<mailto:irene.yang@sidley.com>>, "Cederoth, Richard A."

<rcederoth@sidley.com<mailto:rcederoth@sidley.com>>, Heidi Keefe

<hkeefe@cooley.com<mailto:hkeefe@cooley.com>>

>Subject: Windy City v. Facebook / Microsoft - Request to Identify Asserted Claims

>

>Warren-

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>Facebook and Microsoft request that no later than May 16, 2016, Windy City identify no more than 40 total asserted claims that Windy City intends to assert against each defendant in this litigation. As you know, there are 830 claims in the four asserted patents and Windy City has not identified a single asserted claim against either defendant. The lack of identified claims unnecessarily multiplies the proceedings, as it requires the parties to evaluate invalidity and non-infringement defenses on hundreds of claims that Windy City will never assert in this litigation.

>

>To be clear, Facebook and Microsoft are not asking Windy City to provide infringement contentions at this time, only the identification of the asserted claims.

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>Please confirm that Windy City will identify no more than 40 asserted claims that it will assert against each defendant no later than May 16, 2016.

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>If Windy City is unwilling to identify no more than 40 asserted claims by May 16, 2016, please let us know when you are available to meet and confer on Friday or Monday, as Facebook and Microsoft intend to file motions in their respective cases asking the Court to order Windy City to identify asserted claims as requested above.

>

>Regards,

>Phil

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>Phillip E. Morton

>Cooley LLP

>Direct: +1 202 728 7055 * Cell: +1 703 298 2746

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>_____

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