

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

FUNDAMENTAL INNOVATION
SYSTEMS INTERNATIONAL LLC,

Plaintiff,

v.

LG ELECTRONICS, INC. et al.

Defendants.

Case No. 2:16-cv-01425-JRG
JURY TRIAL DEMANDED
LEAD CASE

FUNDAMENTAL INNOVATION
SYSTEMS INTERNATIONAL LLC,

Plaintiff,

v.

HUAWEI INVESTMENT & HOLDING
CO., LTD. et al.

Defendants.

Case No. 2:16-cv-01424-JRG
JURY TRIAL DEMANDED

**DEFENDANTS' INVALIDITY CONTENTIONS AND
PATENT L.R. 3-3 AND 3-4 DISCLOSURES**

Pursuant to Patent Local Rules 3-3 and 3-4 and the Docket Control Order (Dkt. 65), Defendants LG Electronics, Inc., LG Electronics U.S.A., Inc., LG Electronics MobileComm U.S.A., Inc., LG Electronics Mobile Research U.S.A., LLC, and LG Electronics Alabama, Inc (“LG”), and Huawei Investment & Holding Co., Ltd., Huawei Technologies Co., Ltd., Huawei Device USA, Inc., and Futurewei Technologies, Inc. (“Huawei”, and together with LG, “Defendants”) respectfully submit their invalidity contentions and Patent Local Rule 3-3 and 3-4 disclosures with respect to the claims identified by Plaintiff Fundamental Innovation Systems

International LLC (“FISI,” “Fundamental,” or “Plaintiff”) in their Patent Local Rule 3-1 Disclosure of Asserted Claims and Infringement Contentions, served June 2, 2017.

The claims asserted against Defendants in this case are:

LG

- (i) claims 1-3, 6-8, 12, 14, 16-18 of U.S. Patent No. 7,239,111 (“the ’111 Patent”);
- (ii) claims 8-13 of U.S. Patent No. 7,834,586 (“the ’586 Patent”);
- (iii) claims 1-24 of U.S. Patent No. 8,232,766 (“the ’766 Patent”);
- (iv) claims 3-8, 12-17 of U.S. Patent No. 8,624,550 (“the ’550 Patent”);
- (v) claims 3, 5-6, 8, 10-11 of U.S. Patent No. 7,893,655 (“the ’655 Patent”);
- (vi) claims 1-5, 9-20 of U.S. Patent No. 7,791,319 (“the ’319 Patent”); and
- (vii) claims 1-8, 13-14, 17-20 of U.S. Patent No. 7,999,514 (“the ’514 Patent”).

Huawei

- (viii) claims 1-3, 6-8, 16-18 of the ’111 Patent;
- (ix) claims 8-13 of the ’586 Patent;
- (x) claims 1-24 of the ’766 Patent;
- (xi) claims 3-7, 12-16 of the ’550 Patent;
- (xii) claims 3, 5-6, 8, 10, 11 of the ’655 Patent;

These claims are collectively referred to as “the Asserted Claims” of the “Patents-in-Suit.”

In accordance with P.R. 3-3(a)-(d), Defendants hereby: (a) identify each currently known item of prior art that either anticipates or renders obvious each asserted claim; (b) specify whether each such item of prior art (or a combination of several of the same) anticipates each asserted claim and/or renders it obvious; (c) submit a chart identifying where each element in each asserted claim is disclosed, described, or taught in the prior art, and the identity of the structure(s), act(s), or material(s) in each item of prior art that performs the claimed function in

the case of means-plus-function elements under 35 U.S.C. § 112 ¶ 6; and (d) identify the grounds for invalidating the Asserted Claims based upon indefiniteness under 35 U.S.C. § 112 ¶ 2 or enablement or written description under 35 U.S.C. § 112 ¶ 1, with respect to each asserted claim and based upon Defendants' investigation to date.

I. RESERVATIONS

The initial Invalidity Contentions provided herein by Defendants are provisional and subject to revision as provided in the Local Rules, the Federal Rules of Civil Procedure, and/or any Order of this Court. For example, these Invalidity Contentions are based on Defendants' current knowledge, understanding, and belief as to the facts and information available at this time. Defendants have not yet completed their investigation, collection of information, discovery, or analysis relating to this action, and additional facts and information may require Defendants to supplement or modify these contentions.

Invalidity Contentions, as required by P.R. 3-4, typically follow the production of conception and reduction to practice, design and development documents as well as documents evidencing disclosures or offers to sell the patented invention prior to the date of application for the patents-in-suit, as required by P.R. 3-2. Plaintiff's production is deficient, and Plaintiff has referred to certain unnamed third parties regarding documents. Defendants have issued a subpoena to Blackberry, the original assignee of the patents-in-suit but have not yet received any documents in response to that subpoena. Likewise, Defendants have issued subpoenas to more than fifteen third parties for documents, instrumentalities, and testimony relating to the prior art listed below and in the Exhibits hereto, including prior art systems, such as, for example, Motorola's MicroTac and StarTac devices. As such, Defendants reserve their right to amend these Invalidity Contentions when and if such documents are produced by Plaintiff, Blackberry, the inventors of the patents-in-suit, or some other third party.

FISI's Infringement Contentions include multiple references to software. To the extent, consistent with 3(a) of the Discovery Order (Dkt. 64), Plaintiff has indicated that any claim element is a software limitation taking advantage of P.R 3-1(g), Defendants reserve the right to amend their Invalidity Contentions in accordance with P.R. 3-3(e).

Separate and apart from the identifications of software limitations, FISI's Infringement Contentions are deficient in multiple respects and do not provide Defendants with sufficient information to understand the bases for FISI's infringement allegations or the alleged scope of the claims as FISI is applying them in making such allegations. For example, FISI failed to provide "a chart identifying specifically where each element of each asserted claim is found within each Accused Instrumentality." In addition, Defendants understand that FISI has represented that "[t]he patents are not standard essential" and "this case is not about USB standards." (*See* 2:17-cv-00145-JRG, Dkt. 46 Ex. A at 1-2). Consequently, Defendants are hindered from completely identifying prior art to meet FISI's Infringement Contentions. To the extent that FISI's Infringement Contentions are understandable, Defendants' Invalidity Contentions are based, at least in part, on FISI's apparent constructions of the Asserted Claims and FISI's application of those claims. Likewise, FISI failed to produce its Infringement Contentions from other cases where the same patents are asserted, further hindering the scope of Defendants' understanding.

In addition, Defendants have not received or identified all of the documents that may be relevant to their Invalidity Contentions. Defendants also have not had the opportunity to take the depositions of the named inventors of the patents-in-suit and/or other persons having potentially relevant information. Defendants further are in the process of investigating prior art from third party sources believed to have knowledge, documentation, or corroborating evidence relating to

invalidity or prior art. It is likely that Defendants will hereafter discover additional prior art pertinent to the Asserted Claims of the patents-in-suit, and Defendants reserve their right to seek to amend and/or supplement these contentions within a reasonable time after becoming aware of additional prior art. Defendants also reserve their right to introduce and use such supplemental materials at trial.

Furthermore, Defendants have had little or no discovery concerning the alleged conception and reduction to practice by the named inventors of the subject matter of the Patents-in-Suit. Defendants are diligently seeking and will continue diligently to seek documents from third parties in discovery that establish earlier dates of conception and reduction to practice, as appropriate, in order to demonstrate such third parties' earlier dates of invention under 35 U.S.C. § 102(g). Defendants therefore reserve the right to supplement these Invalidity Contentions with further information and documentation, if and when it becomes available, to support earlier dates of invention than what is alleged by FISI.

Similarly, Defendants have had little or no discovery concerning the claimed priority dates for the patents-in-suit. FISI asserts that the claims of the '111, '586, '766, and '550 patents are entitled to a priority date of March 1, 2001 (*i.e.* the filing of provisional application 60/273,021) and the claims of the '319 and '514 patents are entitled to a priority date of February 21, 2003 (*i.e.* the filing of application 10/372,180). For the '655 patent, FISI asserts that the claims are entitled to a priority date of December 13, 2005 (*i.e.* the filing of application 11/299,701) but allegedly were conceived and reduced to practice no later than February 8, 2005. FISI offers no support for these assertions and they appear to be incorrect. For example, 60/273,021 does not entitle FISI to a priority date of March 1, 2001 for the asserted claims of '111, '586, '766, and '550 patents. Similarly, 60/330,486 may not entitle FISI to a priority date

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