

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

AGIS SOFTWARE DEVELOPMENT LLC,	§	
	§	Case No. 2:17-CV-0513-JRG
Plaintiff,	§	(LEAD CASE)
	§	
v.	§	<u>JURY TRIAL DEMANDED</u>
	§	
HUAWEI DEVICE USA INC. ET AL.,	§	
	§	
Defendants.	§	
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APPLE, INC.,	§	Case No. 2:17-CV-0516-JRG
	§	(CONSOLIDATED CASE)
Defendant.	§	
	§	<u>JURY TRIAL DEMANDED</u>

**PLAINTIFF AGIS SOFTWARE DEVELOPMENT LLC'S SUR-REPLY
TO APPLE INC.'S REPLY IN SUPPORT OF ITS MOTION FOR SUMMARY
JUDGMENT THAT U.S. PATENT NO. 7,630,724 IS NOT INCORPORATED
INTO U.S. PATENT APPLICATION NO. 14/027,410 (DKT. 226)**

Plaintiff AGIS Software Development LLC (“AGIS”), by and through its undersigned counsel, hereby submits this sur-reply in opposition to Apple Inc.’s Motion for Summary Judgment that U.S. Patent No. 7,630,724 is Not Incorporated Into U.S. Patent Application No. 14/027,410 (Dkt. 226) (the “Motion”).

Apple does not dispute that the statement at issue is an “incorporated by reference” statement. Dkt. 278 at 1. Apple, however, requests removal of the ’724 Patent from the incorporation statement on the grounds that the language in the ’410 Application was insufficient to demonstrate that AGIS intended to incorporate by reference both the ’728 and ’724 Patents. AGIS has demonstrated (1) clear intent to incorporate; and (2) clear identification of the referenced patents. *See* Dkt. 259. AGIS has identified a clear intent to incorporate as demonstrated by use of the incorporation by reference statement. Ex. 5 at ¶ 5 (“which is hereby incorporated by reference”). Apple concedes that the text includes an “incorporated by reference” statement, but, without citing to any authority, requires something more to keep the ’724 Patent in the incorporation statement. Dkt. 278 at 1. Apple neither identifies, nor explains, how much more was required of AGIS, or how to interpret the portion of the statement Apple wishes to exclude from incorporation. Apple merely suggests that AGIS should have incorporated “all cross-referenced patents and applications” which is a nonstarter and presents precisely the kind of second-guessing of legal advice that should be excluded from the Court’s analysis. More importantly, Apple does not explain whether it has any legal basis to simply isolate and strike a portion of an incorporation statement. Instead, Apple would have this Court modify AGIS’s patent rights to exclude a significant portion of the patent specification so that Apple can gain an advantage in this litigation. Apple’s request for removal of the ’724 Patent from the incorporation-by-reference statement is thus legally questionable (as presented by

Apple) and highly prejudicial to AGIS. Further, AGIS has clearly identified the patents to be incorporated by reference through identification of both the patent numbers. *Id.* As a result, AGIS has demonstrated clear intent to incorporate by reference both the '724 and '728 Patents.

Apple incorrectly characterizes AGIS's argument with regard to the "Cross Reference to Related Applications." AGIS does not argue that this statement alone is sufficient to incorporate by reference the '724 Patent. Instead, AGIS argued, and Apple does not dispute, that the '410 Application recites the '724 Patent in **two** places: first in the cross-reference statement, and second, in the incorporation-by-reference statement. Dkt. 259 at 3-4. AGIS further argued that the second recitation of the '724 Patent was for the purpose of incorporation by reference and not a mere identification; if the statement were a "mere identification" as alleged by Apple, the statement would be superfluous. *See* Dkt 259 at 3 ("If the incorporation by reference statement were just another identification of the related applications, it would render this statement superfluous."). In view of these dual statements, one of ordinary skill in the art would have understood that the '724 Patent was incorporated by reference. Apple does not dispute this inference.

Apple's attempt to exclude Mr. McAlexander's testimony regarding the understanding of a person of ordinary skill in the art is not legally supportable. Apple cannot dispute that courts, including its home district, use expert testimony to determine whether a host document incorporates another document by reference. Apple does not argue how much weight should be accorded to Mr. McAlexander's opinions on the understanding of a person of ordinary skill in the art when reading the language of the specification. As AGIS has stated in its opposition, AGIS identified sections of Mr. McAlexander's rebuttal expert report *in response* to Apple's own expert, Dr. Clark who proffers that the '728 Patent was incorporated by reference. Dkt. 259

at 5-6. Further, Mr. McAlexander's opinion provides that the appropriate standard to determine whether the '410 Application incorporates by reference the '724 and '728 Patents is a person with reasonable skill in the art, who would understand the incorporation by reference statement to mean both patents are particularly identified and incorporated by reference. Dkt. 259 at 6. Mr. McAlexander's testimony is based on evidence including the language, context, and organization of the patent specification, as well as the understanding of a person of ordinary skill in the art, while Mr. Clark's opinions are devoid of any discussion of the understanding of a person of ordinary skill in the art and lack evidentiary basis. Accordingly, Mr. McAlexander's opinions should be included in the determination and accorded more weight than Mr. Clark's conclusory statements.

In determining whether to grant summary judgment, there must be "no genuine dispute as to any material fact." Fed. R. Civ. P. 56(1); *Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1986). Apple admits that the incorporation statement is related to the larger issue of priority which involves underlying questions of fact for the jury. Dkt. 278 at 2. Contrary to Apple's arguments, Apple has merely demonstrated that there is a dispute between the parties on whether the '410 Application incorporates by reference the '724 Patent. Therefore, Apple has failed to demonstrate that there is an absence of a genuine issue of material fact, and should therefore be precluded from a grant of summary judgment. Additionally, as set forth above, AGIS has demonstrated facts sufficient to support the conclusion that the '724 Patent has been incorporated by reference.

CONCLUSION

For the foregoing reasons, AGIS respectfully requests that the Court deny Apple's Motion for Summary Judgment that the '724 Patent Is Not Incorporated by Reference in the '410 Application.

Dated: January 18, 2019

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