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
	§	(LEAD CASE)
Plaintiff,	§	
	§	**JURY TRIAL DEMANDED**
v.	§	
	§	
HUAWEI DEVICE USA INC. ET AL.,	§	[redacted]
	§	
Defendants.	§	

APPLE, INC.,	§	Case No. 2:17-CV-0516-JRG
	§	(CONSOLIDATED CASE)
Defendant.	§	
	§	**JURY TRIAL DEMANDED**

PLAINTIFF AGIS SOFTWARE DEVELOPMENT LLC'S SUR-REPLY TO APPLE INC.'S REPLY RELATIVE TO SEALED MOTION FOR SUMMARY JUDGMENT OF APPLICATION OF POST-AIA LAW TO U.S. PATENT NOS. 9,408,055; 9,445,251; 9,467,838; AND 9,749,829; AND FOR SUMMARY JUDGMENT OF UNENFORCEABILITY DUE TO UNCLEAN HANDS (DKT. 227)

Plaintiff AGIS Software Development LLC ("AGIS") hereby submits its Sur-Reply to Defendant Apple Inc.'s ("Apple") Reply to Sealed Motion for Summary Judgment of Application of Post-AIA Law to U.S. Patent Nos. 9,445,251; 9,467,838; and 9,749,829; and for Summary Judgment of Unenforceability Due to Unclean Hands (Dkt. 227).

I. INTRODUCTION

Apple's motion lacks merit. First, Apple does not and cannot point to any authority, binding or persuasive, in support of its interpretation that AIA law must apply where the USPTO specifically designated a patent as pre-AIA over the applicant's objections. The issue of whether AIA law applies to the district-court review of the patents-in-suit, which issued from transitional applications examined by the PTO under pre-AIA law, appears to be a matter of first impression. Second, Apple fails to acknowledge the substance of highly-relevant written correspondence in which AGIS expressly states that it did not dispute (1) statements made during prosecution, and (2) the PTO's examination of the '838 patent under AIA. Combined with the fact that AGIS requested review of its transitional applications under AIA review, which Apple does not dispute, shows that AGIS made no misrepresentations to the PTO or Apple. Indeed, "forcing Apple to bring" this motion over disagreement about statutory interpretation of new law—without precedent—does not invoke the doctrine of unclean hands.

II. THE UNDISPUTED FACTS SHOW THAT APPLE SHOULD NOT PREVAIL AS A MATTER OF LAW

"In granting summary judgment, the court must ensure that there is no reasonable version of material disputed facts whereby the non-movant could prevail . . . and that the judgment is correct as a matter of law." *Vivid Techs. v. Am. Sci. & Eng'g., Inc.*, 200 F.3d 795, 807 (Fed. Cir. 1999) (citing *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 255 (1986)).

A. Apple's Alleged Prior Art is An Invention that May be Sworn Behind Under Post-AIA 102(g)

Apple concedes that the patents in question are transitional patents, such that § 102(g) provides for swearing behind inventions by showing earlier conception and reasonably diligent reduction to practice. Dkt. 286 at 2. An invention as defined by 35 U.S.C. §100 must demonstrate conception and reduction to practice. *Teva Pharmaceutical Industries Ltd. v. AstraZeneca Pharmaceuticals LP*, 661 F.3d 1378, 1381 (Fed. Cir. 2011). Conception and reduction to practice are questions of law based on subsidiary factual findings. *Id.*

The FBCB2 system featured in Apple's invalidity contentions and invalidity expert report is a prior art invention that may be sworn behind both pre-AIA and post-AIA by transitional patents. [redacted] Apple's argument that it "does not intend to assert prior art invention under § 102(g) at trial," [Dkt. 286 at 2] is irrelevant; statutory categorization of prior art under § 102 is a question of law with subsidiary factual determinations, not up to the discretion of any given defendant. *See Dow Chemical Co. v. Astro-Valcour, Inc.*, 267 F.3d 1334, 1340 (Fed. Cir. 2001) (examining criteria such as inventor's belief that "he invented anything," and filing of patent applications in finding that the requirements of 102(g) were met). Thus, the undisputed facts of this case support a finding that FBCB2 is an invention that may be sworn behind by the patents in question, even if found to be covered by AIA law.

B. AGIS Did Not Take a Position Inconsistent with Representations Made to the USPTO

The doctrine of unclean hands applies in cases where a party is "tainted with inequitableness or bad faith relative to the matter in which he seeks relief." *Precision Instrument Mfg. Co. v. Automotive Maintenance Machinery Co.*, 324 U.S. 806, 814, 65 S. Ct. 993, 997, 89

L. Ed. 1381, 65 USPQ 133 (1945). "In patent cases, unclean hands applies only in 'extreme circumstances,' such as knowingly making false statements in an affidavit, or defrauding the PTO through perjury and bribery. *Bombardier Recreational Prods., Inc. v. Arctic Cat Inc.*, No. 12-2706 JRT/LIB, 2017 WL 5610220, at *2 (D. 8 Minn. Nov. 20, 2017) (citing *Erfindergemeinschaft UroPep GbR v. Eli Lilly & Co.*, No. 15-1202 2017 WL 275465, at *7 (E.D. Tex. Jan. 20, 2017)); *see also Rohm & Haas Co. v. Crystal Chem. Co.*, 722 F.2d 1556, 1571 (Fed. Cir. 1983). As noted in its Reply, Apple filed this Motion despite possessing highly-relevant written correspondence in which AGIS represented that it did not dispute (1) statements made during prosecution, and (2) the PTO's examination of the '838 patent under AIA. Dkt. 286 at 2. Apple does not deny that it withheld this written correspondence from the Court, failing to inform the Court of AGIS's statements which are inconsistent with Apple's position in this Motion. The full record thus shows that AGIS made no misrepresentation of any sort; Apple's accusations lack merit and are unsupported.

C. Apple Cannot Show That Post-AIA Law Governs the Patents in Question

Apple fails to show any binding or persuasive authority supporting its position that the USPTO's official determination that pre-AIA law applied during prosecution of the patents in question, over the applicant's urgings, should now be reversed. Nor does Apple suggest that the deference due to the USPTO is abrogated in determining whether pre-AIA law applies to a patent application. *See Chevron, U.S.A., Inc. v. Natural Resources Defense Council, Inc.*, 467 U.S. 837, 844 (1984).

Apple concedes that the PTO did not erroneously or unreasonably apply pre-AIA law. *See* Dkt. 227. As the doctrine of unclean hands does not apply here, and Apple does not even purport to make any showing that the PTO's determination is not entitled to deference as a matter of law, pre-AIA law must govern the '055, '251, '828, and '829 patents, allowing AGIS

to swear behind all statutory categories of prior art references. Indeed, Apple submits no authority to indicate otherwise. Thus, because Apple cannot meet its burden to show that AIA law should govern the patents in question as a matter of law, it should not prevail in summary judgment.

III. CONCLUSION

For the foregoing reasons, AGIS respectfully requests that the Court deny Apple's motion for summary judgment in its entirety.

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