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

AGIS SOFTWARE DEVELOPMENT, LLC Plaintiff, v. HTC CORPORATION, et al. Defendant.	§ § § § § § § § §	CASE NO. 2:17-cv-514-JRG (LEAD CASE) **JURY TRIAL DEMANDED**
AGIS SOFTWARE DEVELOPMENT, LLC Plaintiff, v. LG ELECTRONICS INC. Defendant.	§ § § § § § § § § §	CASE NO. 2:17-CV-515-JRG (CONSOLIDATED CASE) **JURY TRIAL DEMANDED**

DEFENDANT LG ELECTRONICS INC.'S REPLY IN SUPPORT OF ITS MOTION FOR SUMMARY JUDGMENT THAT U.S. PATENT NO. 7,630,724 MAY NOT BE RELIED UPON TO SHOW THAT U.S. APPLICATION NO. 14/027,410 PROVIDES WRITTEN DESCRIPTION SUPPORT FOR U.S. PATENT NOS. 9,408,055; 9,445,251; AND 9,467, 838

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AGIS agrees that incorporation by reference requires "(1) clear intent to incorporate by reference, using, for example, 'incorporated by reference,' and (2) a clear identification of the referenced patent . . . ." (D.I. 173 at 4.) However, AGIS essentially argues that these requirements are entirely separate from one another because, for a "clear identification" of the '724 Patent, AGIS points to the '410 Application's "Cross Reference to Related Applications" section, which does not include the words "incorporate" and "reference" or any other language conveying a "clear intent to incorporate by reference." (D.I. 106-6 at [0001].) That is not the law. The identified patent must be "reference[d]" by the incorporation statement. 37 C.F.R. § 1.57(c). That is precisely what the applicant did not do with respect to the '724 Patent. Thus, the only inference available from this section is that the '724 Patent is *not* incorporated by reference. *Cf. Apple, Inc. v. Samsung Elecs. Co., Ltd.*, No. 5:12-cv-00630-LHK, 2014 WL 252045, at *21-22 (N.D. Cal. Jan. 21, 2014) (finding incorporation by reference where patentee both cross-referenced *and* expressly incorporated related applications by reference).[1]

Other than the irrelevant "Cross Reference" section, all that remains is the "incorporated by reference" phrase later in the specification, which clearly and unambiguously "reference[s]" only the '728 patent: "The method and operation of communication devices used herein are described in U.S. Pat. No. 7,031,728 which is hereby incorporated by reference and U.S. Pat. No. 7,630,724." (D.I. 106-6 at [0005].) The law requires "clear intent," not guesswork. As stated by the PTAB, "Patent Owner is responsible for the use of this particular phrasing . . . and was in the best position to clarify any possible ambiguity." (*See, e.g.*, D.I. 106-7 at 20.) AGIS cannot

[1] AGIS's cases are distinguishable. In *Callaway Golf Co. v. Acushnet Co.*, 576 F.3d 1331, 1346-47 (Fed. Cir. 2009), the Court assessed whether *compositions* in a prior art reference were incorporated, not the art itself. In *Husky Injection Molding Sys. Ltd. v. Athena Automation Ltd.*, 838 F.3d 1236, 1248 (Fed. Cir. 2016), an incorporation statement expressly referenced all of the identified patents, not just one. No such statement is found here.

rewrite it now. *See Smartflash LLC v. Apple Inc.*, 77 F. Supp. 3d 535, 561 (E.D. Tex. Dec. 4, 2014) (finding claim invalid as indefinite because "'[c]ourts do not rewrite claims; instead we give effect to the terms chosen by the patentee'"). Patentees must describe their inventions in "full, clear, concise, and exact terms" to give the public notice of what is owned. *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd.*, 535 U.S. 722, 730-31 (2002).

AGIS's reliance on non-patent contract cases pertaining to ambiguities is misplaced. (D.I. 173 at 5.) In this context, the Federal Circuit confirms that "the incorporating contract must use language that is *express* and *clear*, so as to leave no ambiguity about the identity of the document being referenced, nor any reasonable doubt about the fact that the referenced document is being incorporated . . . ." *Northrop Grumann Info. Tech., Inc. v. United States*, 535 F.3d 1339, 1344 (Fed. Cir. 2008). Here, where the clear language expressly does not incorporate the '724 Patent, there is no evidence to support a contrary conclusion. AGIS's argument that admission of the PTAB's decisions is prejudicial is also misplaced. In the case AGIS cites, the Court found prejudice where the defendant sought to introduce pending IPRs as evidence of its lack of intent to induce infringement *after* the Court had granted a motion *in limine* precluding the defendant from introducing evidence of the IPRs. *Personalized Media Commc'ns, LLC v. Zynga, Inc.*, No. 2:12-cv-00068, Dkt. 229 at 1 (E.D. Tex. Nov. 8, 2013). Here, considering the PTAB decisions to decide this question of law is not prejudicial.

Finally, AGIS says one of skill in the art could intuit that the '724 Patent was meant to be incorporated by reference, citing its expert. (D.I. 173 at 6.) But in the case AGIS cites, the court concluded that an expert's statement could not overcome unequivocal language in a specification as "incorporation by reference is a question of law." *Apple*, 2014 WL 252045, at * 23.

For the foregoing reasons, LG Korea's motion for summary judgment should be granted.

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Respectfully submitted,

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