

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

MAXELL, LTD.,

Plaintiff,

v.

ZTE CORPORATION and
ZTE USA INC.,

Defendants.

Case No. 5:16-cv-00179-RWS

JURY TRIAL DEMANDED

**PLAINTIFF MAXELL, LTD.'S REPLY IN SUPPORT OF ITS THIRD *DAUBERT*
MOTION TO EXCLUDE DR. ZHI DING'S UNRELIABLE OPINIONS ON
OBVIOUSNESS OF U.S. PATENT NO. 6,408,193**

ZTE's response (D.I. 54) to Maxell's Third *Daubert* Motion¹ never squarely addresses Maxell's primary reason² to exclude the unreliable, improper obviousness opinions of its '193 Patent expert (Dr. Ding). While Dr. Ding has provided an impossibly high number of potential (but unidentified) obviousness combinations, ZTE refuses still to narrow its obviousness combinations or to identify with specificity which of the over 100,000 combinations Dr. Ding will actually present at trial. This tactic deprives Maxell and its expert of proper notice of the opinions Dr. Ding will testify about and of a meaningful chance to respond to those opinions. Dr. Ding's obviousness opinions are unreliable, run afoul of the rules, and must be excluded.³

I. ARGUMENT

Dr. Ding's obviousness opinions cover over 100,000 combinations of prior art. Thus, his opinions should be excluded as unreliable and as in violation of the federal and local rules.

A. Dr. Ding's Refusal to Narrow His Obviousness Opinions Violates the Local and Federal Rules.

As explained in Maxell's Third *Daubert* Motion, Dr. Ding's insistence on reserving over 100,000 possible prior art combinations violates at least Local Patent Rule 3-3 and Federal Rule 26(a). These rules serve to keep in check the very behavior that ZTE and its expert engage in here: offering unreasonably vague positions that deprive the opposing party of a meaningful chance to prepare a response.

¹ Maxell's motion was initially filed in lead case 5:16-cv-178 as D.I. 202, prior to the court's order vacating consolidation. ZTE's response and Maxell's reply are filed in 5:16-cv-179.

² In its Response to Maxell's Motion for Partial Summary Judgment of No Invalidity of the '193 Patent, ZTE confirms that it "is no longer asserting that claim [sic] 1-7 of the '193 patent are obvious in view of the AAPA to the '193 Patent." D.I. 57 at 2. Accordingly, this reply focuses on Maxell's first argument for excluding Dr. Ding's opinions: his unreasonably high number of combinations of prior art.

³ Both grounds for exclusion relate to Dr. Ding's unreliable methodology and failure to comply with applicable rules and legal framework. These are not the types of issues that can be addressed through cross-examination.

The local rules require explicit disclosure of the combinations a party intends to rely on, “not to create loopholes through which parties may practice litigation by ambush.” *Cummins-Allison Corp. v. SBM Co.*, No. 9:07-cv-196, 2009 U.S. Dist. LEXIS 22114, at *4 (E.D. Tex. Mar. 19, 2009); *see also* P.R. 3-3(b); *Realtime Data, LLC v. Packeteer, Inc.*, No. 6:08-cv-144-LED-JDL, 2009 U.S. Dist. LEXIS 114207, at *14 (E.D. Tex. Dec. 8, 2009).

ZTE’s responds to this authority by arguing that these cases are directed to invalidity contentions rather than invalidity expert reports. *See* Resp. at 3. ZTE’s position is unsupportable. The purpose of the local patent rules are to narrow the focus of the case and to set boundaries for trial. This goal is ill served by allowing invalidity expert reports, which should only clarify the case further, to make the same missteps that are plainly impermissible for invalidity contentions. *See* Fed. R. Civ. P. 26(a)(2)(B) (requiring expert reports to be “detailed and complete”). ZTE and Dr. Ding ignore these rules and leave themselves free to choose from more than 100,000 possible combinations, with no warning or notice to Maxell. This is litigation by ambush, and Dr. Ding’s obviousness opinions should at least be excluded for violating the local and federal rules.

B. ZTE Responds to the Wrong Argument.

ZTE mischaracterizes the problems with Dr. Ding’s unreliably vague opinions. While ZTE would make this an issue about the number of references Dr. Ding relies on, the actual issue concerns the number of combinations he presents. In paragraphs 409 and 412 through 419 of his report, Dr. Ding broadly and vaguely references a series of possible obviousness combinations without ever clarifying precisely which pieces of prior art he may rely on for each asserted claim element or even which prior art he intends to use for each combination. The result is an unreasonable, “impossibly high” number of combinations that leaves ZTE free to put off choosing its actual obviousness positions until the eve of trial, with no notice to Maxell.

ZTE does not dispute that, in paragraphs 409 and 412-419 of his invalidity report, Dr.

Ding opines that the claims of the '193 Patent are obvious over several base references combined with “one or more of” up to sixteen secondary references. ZTE also does not dispute that Dr. Ding’s obviousness opinions cover more than 100,000 unique combinations. Yet ZTE has not identified where Dr. Ding – either in his report or at his deposition – clarified precisely which obviousness combinations he intends to rely on at trial. Nor has ZTE used its response to inform Maxell of precisely which obviousness opinions Dr. Ding will present at trial.

Rather than dispute these fatal flaws with Dr. Ding’s opinions, ZTE responds to an entirely different argument: that an obviousness analysis cannot be faulted for the number of references used. *See Resp.* at 3-5. While it may be true that “the proper criterion for evaluating obviousness ‘is not the number of references, but what they would have meant to a person of ordinary skill in the field of the invention,’” *id.* at 3 (internal citation omitted), Maxell does not take issue with the number of references presented. Rather, Maxell takes issue with the number of possible combinations of those references—a point that ZTE fails to refute.

In short, neither Dr. Ding nor ZTE have provided Maxell with clear notice of whether this expert intends to present a seventeen-reference combination, a two-reference combination, or something in between. By failing to identify the specific combinations Dr. Ding will use at trial, ZTE fails to put Maxell on real, meaningful notice and thwarts the primary purpose of his expert report. *See Biscotti Inc. v. Microsoft Corp.*, No. 2:13-CV-01015-JRG-RSP, 2017 U.S. Dist. LEXIS 79832, at *7 (E.D. Tex. May 24, 2017) (“The primary purpose of an expert report is to provide notice to the opposing side of the scope of an expert’s potential trial testimony.”).

Moreover, by failing to identify specific combinations of references, ZTE also failed to follow a proper obviousness analysis. Because ZTE failed to identify the obviousness

combinations, ZTE further failed to ascertain the differences between the claimed invention and each combination. Thus, Dr. Ding's obviousness opinions should be rejected as unreliable.

C. **ZTE's Suggestion That Dr. Ding Might Present "Essentially" a 17-Reference Obviousness Combination Contradicts Dr. Ding's Sworn Testimony.**

ZTE offers no support for its assertion that Dr. Ding actually meant that the '193 Patent's claims "are obvious in view of essentially a combination of 17 references." Resp. at 2. Setting aside the vague use of "essentially," ZTE's assertion directly contradicts Dr. Ding's sworn, unmistakable deposition testimony.

Specifically, when asked what he meant by the statement in his expert report that the claims are obvious over "one or more of" seventeen references, Dr. Ding testified that his use of "one or more" in his report meant that the combinations could include "at least one of" the cited references—perhaps one, perhaps two, or perhaps more. *See* Ex. B to Nese Decl. (Ding Dep.) at 95:24-96:18, *Maxell, Ltd. v. Huawei Techs. Co., Ltd.*, No. 5:16-cv-00178-RWS (E.D. Tex. Mar. 2, 2018), ECF 202-4. That ZTE and its expert have divergent opinions on these obviousness theories further demonstrates the problematic lack of clarity as to which arguments ZTE will actually present for the '193 Patent. This is further reason to exclude these unreliable opinions.

If Dr. Ding had truly wanted to present a properly noticed seventeen-reference obviousness combination to the jury, he might have been free to do so with proper notice. For example, Dr. Ding could have replaced the vague "one or more of" language in his report with something more concrete, such as "each of." Dr. Ding also could have clarified at his deposition that he actually intended to rely on each of the sixteen or seventeen references in his combinations, rather than reserve the right to rely on "at least one of" his secondary references for each combination. But he did neither, and Maxell is left to wonder about which of Dr. Ding's 100,000+ obviousness opinions will materialize at trial. This gamesmanship should be rejected.

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