

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

**SIPCO LLC, and  
IP CO., LLC (d/b/a INTUS IQ)**

**Plaintiffs,**

v.

**EMERSON ELECTRIC CO., EMERSON  
PROCESS MANAGEMENT LLLP,  
FISHER-ROSEMOUNT SYSTEMS, INC.,  
ROSEMOUNT INC., BP p.l.c., BP  
AMERICA, INC., and BP AMERICA  
PRODUCTION COMPANY**

**Defendants.**

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**Civil Action No. 6:15-CV-907-RWS-KNM**

**DEFENDANTS’ MOTION FOR LEAVE TO SERVE  
AMENDED SUPPLEMENTAL INVALIDITY CONTENTIONS**

Pursuant to P.R. 3-6(b), Defendants Emerson Electric Co., Emerson Process Management LLLP, Fisher-Rosemount Systems, Inc., Rosemount Inc., BP p.l.c., BP America, Inc., and BP America Production Company (collectively “Defendants”) respectfully move for leave to amend their invalidity contentions to add and chart two newly discovered references (Machenbaum article and Humblet ‘536 Patent) and to chart two previously disclosed but uncharted prior art references (Mills article and Jednacz ‘644 Patent). BP p.l.c. appears specially and only for the limited purpose of preserving its rights, notwithstanding and without waiving its rights to answer, obtain resolution of any Rule 12 motion, or otherwise plead in response to the Second Amended Complaint served on July 14, 2016.

**I. FACTUAL BACKGROUND**

In this patent infringement case, plaintiffs SIPCO LLC and IP CO., LLC (“SIPCO and IPCO”) allege infringement of 180 claims of 11 patents in two patent families (the “Petite”

family and the “Brownrigg” family). Defendants timely served invalidity contentions on May 16, 2016 (“Defendants’ May 16, 2016 Invalidity Contentions”) in compliance with the current Amended Docket Control Order. Dkt. No. 73 at 6. Given the number of patents (11) and claims (180) at issue, Defendants’ May 16, 2016 Invalidity Contentions included 77 references and, with claim charts, totaled over 9,000 pages.

During the weeks following service of Defendants’ May 16, 2016 Invalidity Contentions, Defendants discovered the following new relevant reference:

- United States Patent No. 4,987,536 to Humblet (Exh. B).

Also during the weeks following service of Defendants’ May 16, 2016 Invalidity Contentions, Defendants discovered the applicability of two previously disclosed prior art references whose relevance to certain of the 180 claims pending in this action was previously not appreciated and therefore not charted:

- Mills, D.L., “An Experimental Multiple-Path Routing Algorithm,” RFC 981 (Exh. C)(disclosed in Defendants’ May 16, 2016 Invalidity Contentions, page 13); and
- United States Patent No. 5,726,644 to Jednacz (Exh. D)(disclosed in Defendants’ May 16, 2016 Invalidity Contentions, pages 10 and 22).

Defendants’ counsel also discovered the following reference in the context of a different legal proceeding shortly before service of Defendants’ May 16, 2016 Invalidity Contentions, but did not appreciate the relevance of the reference to this action until after service of the May 16<sup>th</sup>

Invalidity Contentions:

- Machenbaum, “Packet Radio Network for Volcano Monitoring,” *Packet Status Register: Tucson Amateur Packet Radio Corporation*, Winter 1995, Issue #57; (Exh. A)

Defendants disclosed these new references and contentions by serving proposed Supplemental Joint Invalidity Contentions on June 13, 2016, less than one month after service of Defendants’ May 16, 2016 Invalidity Contentions.

SIPCO waited until June 24, 2016 to object to the proposed Supplemental Invalidation Contentions (Exh. E). SIPCO further advised that it would oppose any motion for leave to serve those supplemental contentions. In light of SIPCO's objection and assertion that it will oppose a motion for leave, Defendants have no choice but to file this Motion for Leave to Serve Amended Invalidation Contentions as a *contested* motion.

## II. LEGAL STANDARD

The Local Rules for the Eastern District of Texas, Appendix B Patent Rules provide:

Amendment or supplementation any Infringement Contentions or Invalidation Contentions, other than as expressly permitted in P. R. 3-6(a), may be made only by order of the Court, which shall be entered only upon a showing of good cause.

P.R. 3-6(b). Under Federal Circuit precedent analyzing the "good cause" standard of local rules for amending infringement and invalidity contentions, "'good cause' requires a showing of diligence." *O2 Micro Intern. Ltd. v. Monolithic Power Systems, Inc.*, 467 F.3d 1355, 1366 (Fed. Cir. 2006).

Courts in the Eastern District of Texas weigh multiple factors in determining whether "good cause" exists, including, but not limited to:

1. The length of the delay and its potential impact on judicial proceedings;
2. The reason for the delay, including whether it was within the reasonable control of the movant;
3. Whether the offending party was diligent in seeking an extension of time, or in supplementing discovery, after an alleged need to disclose the new matter became apparent;
4. The importance of the particular matter, and if vital to the case, whether a lesser sanction would adequately address the other factors to be considered and also deter future violations of the court's scheduling orders, local rules, and the federal rules of civil procedure; and

5. The danger of unfair prejudice to the non-movant.

*Allure Energy, Inc. v. Nest Labs, Inc.*, 84 F.Supp.3d 538, 540-41 (E.D. Tex. 2015) (quoting *Computer Acceleration Corp. v. Microsoft Corp.*, 481 F.Supp.2d 620, 625 (E.D. Tex. 2007)).

### **III. ARGUMENT**

#### **A. The Court Should Grant Leave to Serve Supplemental Invalidity Contentions**

Defendants notified SIPCO and IPCO of their need to disclose amended invalidity contentions (and in fact served the amended contentions) on June 13, 2016, less than a month after Defendants' May 16, 2016 Invalidity Contentions were served. The delay in notifying SIPCO and IPCO has been minimal and will not adversely impact this proceeding. What minimal delay there has been is justifiable. Defendants acted diligently in advising SIPCO and IPCO of the new invalidity contentions. The new invalidity contentions are important to Defendants' defense and SIPCO and IPCO will suffer no real prejudice if Defendants are granted leave to amend their invalidity contentions. As such, Defendants respectfully request that the Court grant such leave.

#### **1. Defendants' Delay In Seeking Leave to Serve Amended Invalidity Contentions has been Minimal and Granting Leave Will Not Adversely Impact This Proceeding**

This is a large case with 11 patents and 180 patent claims at issue. Defendants' May 16, 2016 Invalidity Contentions were comprised of some 77 references and over 9000 pages, including extensive claim charts to comply with P.R. 3.3(c). In the weeks around May 16th, Defendants found two new applicable references and also discovered the applicability of two references they had listed in the invalidity contentions to specific claims at issue in the case. On June 13, 2016 Defendants notified SIPCO and IPCO of the amended invalidity contentions by serving Defendants' Supplemental Joint Invalidity Contentions. The time period of less than a

month between service of Defendants' May 16, 2016 Invalidation Contentions and Defendants' Supplemental Joint Invalidation Contentions is minimal. After some e-mail exchanges discussing the reasons for the amendments, SIPCO objected to Defendants' Supplemental Joint Invalidation Contentions by e-mail dated Friday June 24, 2016 at 5:23 PM. Realizing that the Motion for Leave would now be a contested motion, Defendants immediately began its preparation.<sup>1</sup> The time between SIPCO's objection to Defendants' Supplemental Joint Invalidation Contentions and the filing of this motion has also been minimal.

If the Court grants Defendants leave to serve its amended invalidity contentions, there will be no adverse impact on this proceeding. SIPCO and IPCO's opening claim construction brief is not due until August 11, 2016 (*id.*); the *Markman* Hearing is not scheduled until September 22, 2016 (*id.* at 4); SIPCO and IPCO's final election of asserted claims is not until October 10, 2016 (*id.*); the fact discovery deadline is October 31, 2016 (*id.*); expert reports are not due until October 31, 2016 (*id.*); and trial, scheduled for May 22, 2016 (*id.* at 1) is over 10 months away. Defendants do not anticipate that any dates should need to be extended if the Court grants leave for Defendants to amend their invalidity contentions, so there should be no adverse impact whatsoever on this proceeding or its schedule.

**2. Defendants' Delay is Justifiable, Even Though Arguably Within the Control of Defendants**

Defendants' delay in providing amended invalidity contentions is justifiable. The Defendants could not disclose the two references they did not find earlier and could not provide

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<sup>1</sup> Defendants were days away from filing the present motion when the Court entered its order on July 1, 2016 transferring this action to the Northern District of Georgia. (Dkt. 98). The Court subsequently stayed the remaining due dates in the DCO for about a week, and then reinstated the remaining due dates. (Dkt. 100, 103). This motion is being filed one week after the Court reinstated the due dates.

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