UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
WACO DIVISION

AIRE TECHNOLOGY LTD.,

Plaintiff,

v.

APPLE INC.,

Defendant.

Case No. 6:21-cv-01101-ADA

JURY TRIAL DEMANDED

DEFENDANT APPLE INC.'S RESPONSE TO PLAINTIFF AIRE TECHNOLOGY LTD.'S MOTION TO AMEND PRELIMINARY INFRINGEMENT CONTENTIONS

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I. INTRODUCTION

Eight months after defendant Apple Inc. ("Apple") announced its new Tap to Pay feature, plaintiff Aire Technology ("Aire") seeks to amend its preliminary infringement contentions to add independent claim 13 of U.S. Patent No. 8,205,249 ("'249 patent"), which Aire contends reads on that feature. During that eight-month period, the parties have been preparing their respective cases and engaging in multiple case-related activities, including *Markman* briefing and fact discovery, and not once did Aire inform Apple that Aire was investigating or considering asserting claim 13. Aire has failed to meet its burden of showing good cause for its amendment.

First, Aire does not even purport to show diligence since Apple announced its Tap to Pay feature eight months ago. Yet, all the functionality cited in Aire's proposed amended contentions was publicly announced in February 2022. Aire instead argues that it could not accuse Tap to Pay earlier because it was unavailable for "real-world use" until this summer—but does not explain how this later alleged "use" substantiates its claim of diligence. In fact, Aire asserted privilege over any such investigation, and the law prohibits it from using that assertion both as a sword to establish diligence and a shield to prevent Apple from investigating that allegation of diligence.

Second, this amendment is not important. Aire already asserts all twelve other claims from the '249 patent against the same products (iPhones) accused of infringing claim 13. Aire does not contend that claim 13 has any purported strategic importance in this case—nor could it, since most of its infringement theory relies on the same technical features from Apple Pay already accused. Instead, Aire's only argument for importance is premised on avoiding a follow-on lawsuit asserting claim 13—but the doctrine of claim splitting would prohibit such suit, sinking Aire's argument about the efficiency to be gained by allowing the amendment. Moreover, that Aire failed to act with diligence confirms that the amendment cannot be that important to Aire.

Third, this amendment would prejudice Apple and waste Court and party resources. Aire

seeks leave to amend within weeks of the one-year statutory deadline to file an IPR petition. And, if granted, Aire's amendment would raise new claim construction issues in this case, even though the parties have already completed claim construction discovery and briefing. The parties have also engaged in fact discovery in reliance on the scope set forth in Aire's preliminary contentions. No continuance could address the fast-approaching IPR deadline, and only a significant continuance of case deadlines would provide Apple the same amount of time to prepare its invalidity contentions against claim 13 that Apple would have had if Aire acted diligently. Further, the parties should be working at this stage to narrow, not expand the suit, as the Court-ordered deadlines for narrowing the number of asserted claims is approaching.

The Court should deny Aire's motion. However, if the Court is inclined to grant it, Apple respectfully requests the Court at least extend the deadline for Apple's final invalidity contentions until January 31, 2023, to allow Apple additional time to investigate and develop its invalidity theories for this new claim. Aire has indicated it would not oppose a reasonable extension, and although this extension would not cure or reverse the prejudice to Apple, it would give additional time needed to address this additional asserted claim while having no impact on subsequent case deadlines.

II. BACKGROUND

Aire filed this lawsuit on October 22, 2021, asserting three patents, including the '249 patent. On January 20, 2022, Aire served its preliminary infringement contentions, asserting claims 1-12, but not claim 13, of the '249 patent against the Apple iPhone. *See* D.I. 63-3 (original '249 patent PIC chart). Claims 1-12 are directed to a "portable data carrier" arranged in a certain manner, that communicates with a "terminal" device. *See* D.I. 1-2 (Complaint, Ex. 2 ('249 patent)). In contrast, claims 13 is directed to the "terminal" that communicates with the "portable data carrier" that is arranged in a particular manner. *Id.*

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