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**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA**

IN RE: AMERANTH PATENT  
LITIGATION

Lead Case No. 11-cv-1810 DMS (WVG)

**MEMORANDUM OF POINTS AND  
AUTHORITIES IN SUPPORT OF  
AMERANTH'S MOTION FOR  
SUMMARY ADJUDICATION OF  
UNENFORCEABILITY OF '449  
PATENT FOR INEQUITABLE  
CONDUCT IN ITS PROSECUTION**

Date: November 3, 2017

Time: 1:30 p.m.

Location: Courtroom 13A

Judge: Hon. Dana M. Sabraw

Complaint Filed: August 15, 2011

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**I. INTRODUCTION**

Ameranth moves the Court to summarily adjudicate that IPDEV’s ‘449 Patent is unenforceable as a result of egregious inequitable conduct in its prosecution in the PTO from August of 2012 through May of 2014. The ‘449 Examiner was never apprised of the existence of any related litigation nor that two federal court judges, three PTAB ALJ’s, and three patent examiners had: (a) concluded that the specification on which the application for the ‘449 Patent was based (“Cupps”) did *not* teach or disclose the claims of Ameranth’s patents; and/or (b) adopted claim construction positions compelling that conclusion. Despite knowledge of these facts, IPDEV did not disclose to the ‘449 Examiner a single page of any document concerning all of this “but for” information.

This was not an ordinary patent prosecution. IPDEV applied for the ‘449 Patent intending to provoke an “inference action” in the PTO against Ameranth’s ‘077, ‘850 and ‘325 Patents. See Dkt. No. 621, p. 18, ll. 19-27. [REDACTED]

[REDACTED] Exh. 19, p. 1. Yingli Wang, one of IPDEV’s patent prosecutors, confirmed that the prosecutors also knew that the application for the ‘449 Patent was filed with the hope and expectation of causing an interference proceeding in the PTO. Exh. 14 (Wang Depo., p. 105, l. 22 to p. 106, l. 21).

Because IPDEV copied the claims of Ameranth’s ‘077 Patent in its application for the ‘449 Patent, the primary focus of the ‘449 Examiner was whether those claims were supported by IPDEV’s Cupps specification under 35 U.S.C. §112. See J. Whealan Decl., Dkt. 794-3, p. 40, ¶ f. In rejecting IPDEV’s first attempt to copy the claims of the ‘077 Patent in its ‘645 Application, the PTO had told IPDEV that there were “112 issues.” Exh. 18, p. 2. Consequently, IPDEV was fully aware that one of the critical issues of the ‘449 prosecution was

1 whether IPDEV’s Cupps specification contained sufficient § 112 written  
2 description for the claims being copied from Ameranth’s ‘077 Patent. Moreover,  
3 as the Federal Circuit has stated: “Our cases now clearly hold that ‘when a party  
4 challenges written description support for an interference count or the copied claim  
5 in an interference, *the originating disclosure provides the meaning of the pertinent  
6 claim language.*’ Agilent Techs., Inc. v. Affymetrix, Inc., 567 F.3d 1366, 1375  
7 (Fed. Cir. 2009) (emphasis added).” Robertson v. Timmermans, 603 F.3d 1309,  
8 1312 (Fed. Cir. 2010). Here, Ameranth’s ‘077 Patent (copied by the ‘449 Patent)  
9 contains the “originating” disclosure. Therefore, if an interference proceeding had  
10 been initiated in the PTO as IPDEV intended, for the purpose of determining  
11 whether IPDEV’s specification supported the claims of the ‘077/‘449 Patents,  
12 those claims had to be interpreted with reference to Ameranth’s ‘077 Patent (which  
13 is a continuation of Ameranth’s ‘850 Patent, as is Ameranth’s ‘325 Patent).

14 Key claim terms of Ameranth’s patents—including “wireless handheld  
15 computing device” and “synchronized”—were construed by federal courts **prior** to  
16 IPDEV’s copy-cat patent application in ways that make it clear that the  
17 specification of the ‘449 Patent does not support the claims. “Wireless handheld  
18 computing device,” for example, has been judicially construed as a device “sized  
19 to be held in one’s hand” (Exh. 15, p. 24), whereas the smallest computer disclosed  
20 in IPDEV’s Cupps specification is a laptop with a mouse and keyboard. Exh. 6.  
21 Similarly, in construing “synchronized,” another federal court determined that  
22 IPDEV’s specification did not support the claim term, finding: “Cupps did not  
23 disclose synchronization.” Exh. 16, p. 15. Consistent with such constructions, *this*  
24 *Court* has explained that “the invention allows for the more efficient use of  
25 personal digital assistant (“PDA”) type devices ... by creating an integrated  
26 solution that formats data for smaller displays and allows for synchronization of  
27 data.” Dkt. 57, Case No. 12-cv-00729. The PTO itself, in CBM proceedings  
28 challenging the ‘077 Patent, recognized that the claims are directed towards “non-

1 PC-standard graphical formats [and] display sizes,” and that the ‘077 Patent  
2 specification disclosed and supported the claim elements for “wireless handheld  
3 computing device” in its description of conversion of “Windows PC-based menu  
4 screens to *small PDA-sized displays and Web pages.*” Exh. 5, p.28. Moreover, the  
5 examiners for each of Ameranth’s ‘077, ‘850 and ‘325 Patents issued those patents  
6 expressly over Cupps, demonstrating that the Cupps specification did not disclose  
7 the claims. Further, the examiner for Ameranth’s related ‘060 Patent found that  
8 Cupps did not disclose reservations or ticketing applications, as claimed in claims  
9 4 and 5 of the ‘077 and ‘449 Patents. Exh. 7. p. 10.

10 The evidence proves that IPDEV, through its principals (James and David  
11 Kargman) and IP counsel (George Yu and Mike Warnecke), knew of but concealed  
12 all of this “related litigation” information. Had such information been disclosed to  
13 the PTO, the ‘449 Patent would not have issued as the material proves that  
14 IPDEV’s Cupps specification does not support the copied claims. Therefore, in  
15 order to avoid a rejection, IPDEV, in violation of its duty of disclosure, withheld  
16 all of this “but for” information from the PTO. Because IPDEV’s application was  
17 prosecuted secretly and without public scrutiny, IPDEV believed it could get away  
18 with this scheme, get the ‘449 Patent issued, and then rely on a presumption of  
19 validity to maintain the improperly obtained copy-cat patent against Ameranth.

20 IPDEV attempted to create “willful blindness” in its patent prosecution  
21 counsel (Joe Hamilton and Yingli Wang) to avoid their own disclosure duties, a  
22 strategy with which the prosecutors went along to foster plausible deniability for  
23 their failure to disclose material information to the ‘449 Examiner. The ‘449  
24 prosecuting counsel were not provided with adverse information and documents,  
25 were ethically screened from lawyers in their own firm working on the district  
26 court infringement litigation and the CBM proceedings from which such adverse  
27 material arose, chose not to do any inquiry into related litigation and proceedings,  
28 and simply declined to read documents of which they were aware. While shielding



1 the prosecutors from contact with the material information that would have  
2 torpedoed IPDEV's chances of getting the '449 Patent issued, IPDEV  
3 simultaneously disclaimed any responsibility for making its own disclosures to the  
4 PTO, relying entirely upon the "blind" prosecutors to make any disclosures  
5 required by law. Exh. 12 (30(b)(6) Depo., p. 40, ll. 5-16; p. 126, l. 18 to p. 127, l.  
6 11). Thus, IPDEV concocted and carried out a scheme of having the willfully  
7 blind lead the deliberately mendacious through the prosecution process.

8 IPDEV's "willful blindness" stratagem worked. The '449 Examiner never  
9 saw a single page of a single document about those matters and never even learned  
10 of the **existence** of any of the related litigation, despite the MPEP's requirement  
11 that such material **must** be disclosed. The Examiner never learned that the PTAB,  
12 two district court judges, and three different patent examiners before him reached  
13 decisions compelling the conclusion that Cupps did not support the copied claims.  
14 IPDEV's concealment of all of this "but for" material information demonstrates its  
15 intention to deceive the PTO in order to obtain a patent which otherwise would  
16 never have been allowed, warranting a finding of inequitable conduct.

## 17 **II. DISCUSSION**

### 18 **A. The Legal Standard For Inequitable Conduct**

19 To prove inequitable conduct, the challenger must show that the patent  
20 applicant: "(1) misrepresented or omitted information material to patentability, and  
21 (2) did so with specific intent to mislead or deceive the PTO." In re Rosuvastatin  
22 Calcium Patent Litig., 703 F.3d 511, 519 (Fed.Cir.2012) (citing Therasense, Inc. v.  
23 Becton, Dickinson & Co., 649 F.3d 1276, 1287 (Fed.Cir.2011)). "Materiality and  
24 intent must be separately established." Id. The level of materiality required to be  
25 shown in a case involving failure to disclose information is "but for," *i.e.*, the  
26 patent would not have issued had the information been disclosed to the Patent  
27 Office. Therasense, 649 F.3d at 1291-92. The challenger meets its burden to  
28 prove intent when it proves "by clear and convincing evidence that the applicant

1 knew of the reference, knew that it was material, and made a deliberate decision to  
2 withhold it.” Id. at 1290.

3 “Materiality is not limited to prior art but embraces any information that a  
4 reasonable examiner would be substantially likely to consider important in  
5 deciding whether to allow an application to issue as a patent.” Bristol-Myers  
6 Squibb Co. v. Rhone-Poulenc Rorer, Inc., 326 F.3d 1226, 1234 (Fed. Cir. 2003).  
7 Pursuant to 37 C.F.R. §1.56(b), “information is material to patentability when it is  
8 not cumulative to information already of record or being made of record in the  
9 application, and (1) It establishes, by itself or in combination with other  
10 information, a *prima facie* case of unpatentability of a claim; or (2) It refutes, or is  
11 inconsistent with, a position the applicant takes in: (i) Opposing an argument of  
12 unpatentability relied on by the Office, or (ii) Asserting an argument of  
13 patentability.” Consequently, patent applicants are required to disclose to the PTO  
14 information of which they are aware that is inconsistent with or contradicts the  
15 arguments and representations being made to the PTO to obtain a patent.

16 Such information includes facts about “related litigation.” As explained in  
17 MPEP §2001.06(c): “Where the subject matter for which a patent is being sought  
18 is or has been involved in litigation, the existence of such litigation and any other  
19 material information arising therefrom must be brought to the attention of the U.S.  
20 Patent and Trademark Office. Examples of such material information include  
21 evidence of possible prior public use or sales, questions of inventorship, prior art,  
22 allegations of ‘fraud,’ ‘inequitable conduct,’ and ‘violation of duty of disclosure.’  
23 Another example of such material information is any assertion that is made during  
24 litigation which is contradictory to assertions made to the examiner. Environ  
25 Prods., Inc. v. Total Containment, Inc., 43 USPQ 2d 1288, 1291 (E.D. Pa. 1997)  
26 [1997 WL 364464]. Such information might arise during litigation in, for example,  
27 pleadings, admissions, discovery including interrogatories, depositions, and other  
28 documents and testimony.” See also Critikon, Inc. v. Becton Dickenson Vascular

1 Access, Inc., 120 F.3d 1253, 1256 (Fed.Cir.1997) (inequitable conduct for failure  
2 to disclose pending related litigation). The duty to disclose material litigation  
3 extends to litigation over related patents as well. See Levitron Mfg. Co. v.  
4 Universal Sec. Instr., 606 F.3d 1353, 1302 (Fed.Cir. 2010). The MPEP further  
5 states that the existence of related litigation pending when a patent application is  
6 filed “must be brought to the attention of the Office by the applicant at the time of,  
7 or shortly after, filing the application,” and that litigation begun afterwards “should  
8 be promptly brought to the attention of the Office.” MPEP §2001.06(c).

9 Patent applicants and prosecuting attorneys *cannot* avoid their duty of  
10 disclosure to the PTO by making themselves “willfully blind” to the existence of  
11 material information. Doing so, in fact, supports an inference that the information  
12 in question was withheld with intent to deceive the PTO. See Brasseler, U.S.A. I,  
13 L.P. v. Stryker Sales Corp., 267 F.3d 1370, 1383 (Fed. Cir. 2001)(“one should not  
14 be able to cultivate ignorance, or disregard numerous warnings that material  
15 information or prior art may exist, merely to avoid actual knowledge of that  
16 information or prior art” ... “Where one does, deceptive intent may be inferred”)  
17 (citing FMC Corp. v. Hennessy Industries, Inc., 836 F.2d 521 (Fed. Cir. 1987)).

18 **B. IPDEV Failed To Disclose The CBM Challenge to the Claims of**  
19 **Ameranth’s ‘077 Patent Which the ‘449 Patent Copies and the Claim**  
20 **Interpretation Made by the Petitioners**

21 IPDEV concealed from the PTO the material facts that: (a) Ameranth’s ‘077  
22 Patent (the claims of which IPDEV was copying in the ‘449 Patent) were being  
23 challenged in a CBM proceeding before the PTAB as unpatentable on various  
24 grounds, including the contention that the claims lacked sufficient written support  
25 in Ameranth’s specification, (b) the fact that the petitioners interpreted claim terms  
26 in a manner *contrary to* the representations being made by IPDEV to the PTO  
27 about the supposed existence of support in the ‘449 specification for such terms,  
28 and (c) the PTAB’s non-institution decision on that petition, which interpreted the

1 claims of the ‘077 Patent in a manner *contradictory* to the arguments being made  
2 by IPDEV in support of its application for the ‘449 Patent. Furthermore, IPDEV  
3 tried to cause the lawyers prosecuting the application for the ‘449 Patent to be  
4 “willfully blind” to these issues, evidencing an intent to deceive the PTO.

5  
6 1. The Issue—The CBM Challenge to the ‘077 Patent and the Basis of the  
PTAB’s Non-Institution Decision

7 IPDEV’s ‘449 Patent admittedly copies the claims of Ameranth’s ‘077  
8 Patent—this is the basis of IPDEV’s “interference” or priority of invention claim.  
9 During the prosecution of the application for the ‘449 Patent, IPDEV represented  
10 to the Patent Examiner that the claims of the patent were supported, taught and  
11 disclosed in the ‘449 specification. See Exh. 8.

12 A number of important facts contradict IPDEV’s assertion that the ‘449  
13 specification supports the claims copied from Ameranth’s ‘077 Patent, all of which  
14 IPDEV concealed from the PTO. Among other things, IPDEV failed to disclose to  
15 the PTO: (i) that the defendants in the consolidated infringement litigation  
16 (including Starbucks—represented by the same law firm—Perkins Coie—that was  
17 simultaneously prosecuting the application for the ‘449 Patent) had filed a CBM  
18 petition challenging the patentability of the identical claims on multiple grounds,  
19 including for supposed lack of written description under 35 U.S.C. §112; (ii) that  
20 the CBM petition interpreted elements of the claim terms in a manner  
21 contradictory to IPDEV’s arguments for support of such elements in the ‘449  
22 specification; and (iii) the content of the PTAB’s non-institution decision rejecting  
23 the CBM challenge on grounds that make it clear that the specification of the ‘449  
24 Patent does not support the claim terms as applied by the PTO.

25  
26 2. Failure to Disclose the CBM Petition and the Basis of the Non-Institution  
Decision Was Material

1 IPDEV contends that it was under no obligation to disclose information  
2 about the CBM challenges to the ‘077 Patent because the PTAB’s ultimate non-  
3 institution decision supposedly rendered all such information non-material.

4 IPDEV’s conclusion is incorrect for at least two reasons.

5 First, the same law firm (Perkins Coie) representing IPDEV in the  
6 prosecution of the ‘449 Patent was simultaneously representing Starbucks in the  
7 CBM proceedings arguing to the PTAB that the same claims were unpatentable.  
8 *Compare*, Exh. 4, pp. 19-20 with Dkt. No. 26-2, ¶6, Case No. 14-cv-01303.  
9 Moreover, in the ‘077 Patent CBM petition, the petitioners interpreted key  
10 elements of the claims in a manner that made it clear that they are *not* supported by  
11 the ‘449 specification. In their challenge to the claims of the ‘077 Patent under  
12 §112, the petitioners acknowledged that the challenged claims were directed  
13 toward display layouts for a “wireless handheld computing device display size  
14 (*i.e.*, a ‘small PDA-sized display’). . . .” Exh. 4, p. 48. Petitioners and their counsel  
15 thus recognized that the claim element “wireless handheld computing device” in  
16 the ‘077 and ‘449 Patent claims referred to a small, PDA-sized device.

17 Importantly, the ‘449 specification *nowhere* refers to, describes or discloses  
18 small non-PC standard display devices, such as PDAs, smartphones, *etc.* Exh. 6.  
19 Because the ‘449 specification makes no such disclosure, IPDEV and its counsel  
20 for the ‘449 prosecution (also with Perkins Coie) argued to the PTO that a  
21 reference to a *laptop* computer (with a PC standard display) in the ‘449 Patent  
22 specification provided support for the claim element “wireless handheld computing  
23 device.” Exh. 8, pp. 4-5. This representation was contradictory to the position  
24 simultaneously taken by the petitioners in the CBM petition; such directly  
25 contradictory positions in related proceedings should have been disclosed.

26 Second, the PTAB’s non-institution decision on the ‘077 CBM petition  
27 recognized that the ‘077 Patent claims are directed towards “customizing the  
28 display layout of each of two or more devices having different screen display

1 sizes,” and accommodating “non-PC-standard graphical formats [and] display  
2 sizes.” Exh. 5, p. 28. The PTAB determined that the ‘077 specification disclosed  
3 the elements of “wireless handheld computing device” in its description of  
4 conversion of “Windows PC-based menu screens to *small PDA-sized displays and*  
5 *Web pages.*” Id.<sup>1</sup> While the specification for Ameranth’s ‘077 Patent supports  
6 such “but for” elements of patentability, IPDEV’s ‘449 specification manifestly  
7 *does not*. The ‘449 specification’s disclosure of a “laptop” (with a keyboard and  
8 mouse) simply does not disclose or support a *handheld non-PC standard* display  
9 device, such as a PDA or smart phone. See Exh. 17 (distinguishing handheld from  
10 laptop). Consequently, had the Examiner of the ‘449 Patent been apprised of the  
11 content of the PTAB’s non-institution decision, the ‘449 Patent would *not* have  
12 been issued. This information, however, was withheld.

13 3. IPDEV Created “Willful Blindness” on Behalf of the ‘449 Prosecutors  
14 For the CBM Proceedings, Demonstrating an Intent to Deceive the PTO

15 IPDEV was aware of the CBM petitions challenging the patentability of the  
16 claims of Ameranth’s ‘077 Patent (copied in the ‘449 Patent) and of the PTAB’s  
17 non-institution decision, but avoided disclosing these by creating “willful  
18 blindness” in the attorneys prosecuting the patent application—Joe Hamilton and  
19 Yingli Wang. This demonstrates intent to deceive. See Brasseler, U.S.A. I v.  
20 Stryker Sales Corp., 267 F.3d 1370, 1383 (Fed. Cir. 2001)(“one should not be able  
21 to cultivate ignorance, or disregard numerous warnings that material information or  
22 prior art may exist, merely to avoid actual knowledge of that information or prior  
23 art” ... “Where one does, deceptive intent may be inferred”) (citing FMC Corp. v.  
24 Hennessy Industries, Inc., 836 F.2d 521 (Fed. Cir. 1987)).

25 \_\_\_\_\_  
26 <sup>1</sup> In this Court’s March 26, 2013 Order Denying Motion for Summary Judgment  
27 (Dkt. 57, Case No. 12-cv-00729), the Court similarly found that Ameranth’s  
28 “invention allows for the more efficient use of personal digital assistant (‘PDA’) type devices ... by creating an integrated solution that formats data for smaller displays and allows for synchronization of data ....” Id. at pp. 3,4,5.

1 David Kargman, General Counsel of both IPDEV and QuikOrder (Exh. 12,  
2 30(b)(6) Depo., p. 36, ll. 17-22), knew that a CBM petition challenging  
3 Ameranth’s ‘077 Patent had been filed with the PTAB during the pendency of the  
4 ‘449 prosecution. Exh. 12 (30(b)(6) Depo., p. 67, ll. 9-21). Jim Kargman,  
5 managing officer of both IPDEV and QuikOrder (Exh. 12, 30(b)(6) Depo., p. 269,  
6 ll. 4-15), also knew about the ‘077 CBM challenge. Exh. 9, J. Kargman Depo., p.  
7 253, ll. 14-19. Although David Kargman told the lead ‘449 Patent prosecutor (Joe  
8 Hamilton of Perkins Coie) about the CBM petition, he did not provide the  
9 prosecutors with any documents from that proceeding. Exh. 12, 30(b)(6) Depo., p.  
10 69, l. 20 to p. 70, l. 1<sup>2</sup>. Similarly, David Kargman learned of the PTAB’s non-  
11 institution decision right around the time the decision was issued (Exh. 12,  
12 30(b)(6) Depo., p. 134, ll. 4-11) and informed the ‘449 prosecuting counsel that the  
13 decision had issued (Exh. 12, 30(b)(6) Depo., p. 135, l. 22 to p. 136, l. 10). But  
14 Hamilton was not provided with a copy of either the CBM petition itself (Exh. 13,  
15 Hamilton Depo., p. 196, ll. 8-11) or the PTAB’s non-institution decision (*Id.*, p.  
16 195, ll. 7-9; p. 269, ll. 21-25). The other prosecuting attorney, Yingli Wang, was  
17 not even made aware that a CBM petition had been filed against the ‘077 Patent  
18 (Exh. 14, Wang Depo., p. 220, ll. 6-13) or that a non-institution decision had issued  
19 (*Id.*, p. 230, ll. 20-25; p. 233, ll. 14-20).

20 Because the Perkins Coie firm was representing Starbucks in the CBM  
21 petition challenging the claims of the ‘077 Patent and the infringement litigation  
22 before this Court, and simultaneously representing IPDEV attempting to copy  
23 those same claims for the ‘449 Patent, an ethical wall was put into place between  
24 the Perkins Coie attorneys representing Starbucks and those representing IPDEV.

25 \_\_\_\_\_  
26 <sup>2</sup> Joseph Hamilton testified that Perkins Coie’s procedure is to begin to consider  
27 what material should be disclosed in an Information Disclosure Statement (“IDS”) *after*  
28 to the PTO *after* receipt of a notice of allowance for an application. Exh. 13  
(Hamilton Depo., p. 145, l. 23 to p. 146, l. 4). Compare MPEP §2006.6(c).

1 Exh. 10, Warnecke Depo., p. 93, ll. 12-22; Exh. 13, Hamilton Depo, p. 74, ll. 11-  
2 21. The purpose of the ethical wall was to prevent the attorneys working on  
3 IPDEV’s application for the ‘449 Patent from communicating with the lawyers  
4 working on the infringement lawsuit and the CBM trying to invalidate those same  
5 claims. Exh. 10, Warnecke Depo., p. 97, ll., 3-12. Thus, despite knowledge of the  
6 CBM petition challenging the ‘077 Patent and of the material content of the  
7 PTAB’s non-institution decision, on behalf of both IPDEV itself and lawyers at the  
8 Perkins Coie firm, the patent prosecutors in the firm were made willfully blind to  
9 this information to attempt to avoid a duty to disclose such material to the  
10 Examiner. This demonstrates an intent to deceive the PTO and supports a finding  
11 of inequitable conduct rendering the ‘449 Patent unenforceable.

12 The patent prosecutors themselves “stuck their head in the sand” about this  
13 issue. Even after learning of the CBM proceedings and the PTAB’s non-institution  
14 decision, Joseph Hamilton *declined to read* the material decision. Exh. 13,  
15 Hamilton Depo., p. 195, ll. 7-9; 269, ll. 21-25; p. 276, pp. 2-10; 279, ll. 19-25; p.  
16 283, ll. 4-10. Yingli Wang made no inquiry at all into the issue. Exh. 14, Wang  
17 Depo., p. 96, l. 12-p. 97, l. 4. This violated their duty of disclosure to the PTO.  
18 See MPEP §2001.06; Brasseler, U.S.A. I, L.P. v. Stryker Sales Corp., 267 F.3d  
19 1370, 1383 (Fed. Cir. 2001)(“Once an attorney, or an applicant has notice that  
20 information exists that appears material and questionable, that person cannot  
21 ignore that notice in an effort to avoid his or her duty to disclose”).

22 **C. IPDEV Failed to Disclose the Challenges to the Validity of the Claims of**  
23 **the ‘077 Patent Pending in the SDCA During the Pendency of the ‘449**  
24 **Patent Prosecution**

25 IPDEV failed to disclose to the PTO that, at the very same time it was  
26 applying to the PTO for issuance of the claims of ‘449 Patent, both IPDEV’s  
27 affiliate (QuikOrder) and the Perkins Coie law firm representing IPDEV before the  
28 PTO, were arguing to this Court that that those very same claims were  
unpatentable, and presenting evidence to this Court that demonstrated that the



1 Patent Office had previously interpreted the Cupps ‘739 Patent (the specification  
2 on which the ‘449 Patent is supposedly based) as *not* disclosing elements of the  
3 ‘449 Patent claims. IPDEV kept the ‘449 prosecutors in the dark about this  
4 material information, evidencing intent to deceive the PTO.

5 1. The Issue- QuikOrder (IPDEV’s Affiliate) and the other Defendants’  
6 Challenges to the Validity of the ‘077 Patent Before this Court

7 Concurrently with IPDEV’s prosecution of the claims of the ‘449 Patent  
8 through the PTO, and therein representing such claims to be patentable, QuikOrder  
9 and the other defendants in the consolidated infringement litigation before this  
10 Court were alleging and arguing that the same claims in the ‘077 Patent were  
11 invalid and non-patentable. Despite IPDEV’s knowledge of this information, it  
12 was withheld from the ‘449 Examiner.

13 2. Failure to Disclose Related Litigation Over the Validity of the Claims of  
14 the ‘077 Patent was Material

15 Patent applicants are required to disclose related litigation to the PTO.  
16 MPEP 2001.06(c) (“Where the subject matter for which a patent is being sought is  
17 or has been involved in litigation, the existence of such litigation and any other  
18 material information arising therefrom must be brought to the attention of the U.S.  
19 Patent and Trademark Office ... Another example of such material information is  
20 any assertion that is made during litigation which is contradictory to assertions  
21 made to the examiner”). Because the claims of the ‘449 Patent copy the ‘077  
22 claims and cover the same subject matter, litigation over the validity of the ‘077  
23 Patent constitutes “related litigation” with respect to the ‘449 Patent.

24 The defendants in the consolidated infringement litigation before this Court,  
25 including IPDEV’s affiliate QuikOrder, filed pleading asserting that the claims of  
26 the ‘077 Patent are invalid on various bases. QuikOrder, in its August 2012  
27 counterclaim, alleged that the “‘077 Patent, and each claim thereof, are invalid for  
28

1 failing to comply with requirements for patentability set forth in Title 35 of the  
2 U.S. Code, including without limitation, 35 U.S.C. § 101, 102, 103 and/or 112.”  
3 Dkt. 26, Case No. 12-cv-00742, p. 18. Starbucks, represented by the same law  
4 firm (Perkins Coie) that prosecuted the ‘449 Patent in the PTO for IPDEV,  
5 likewise alleged in its August 2013 counterclaim that the claims of Ameranth’s  
6 ‘077 Patent: “are invalid for failure to comply with one or more provisions of the  
7 patent laws of the United States of America, Title 35, United States Code,  
8 including but not limited to, 35 U.S.C. § 101, 102, 103 and/or 112.” Dkt. 11, Case  
9 No. 13-cv-01072, p. 9. Because several of the grounds of invalidity asserted were  
10 *not* based on alleged prior art references that pre-date the priority of the ‘077  
11 Patent but not the earlier priority date of the ‘739 Patent, IPDEV and its  
12 prosecuting counsel were *required* to disclose these assertions of invalidity to the  
13 ‘449 Examiner where they contradicted the representations of patentability IPDEV  
14 was making to the PTO. See MPEP §2001.06(c) (“material information is any  
15 assertion that is made during litigation which is contradictory to assertions made to  
16 the examiner”). Despite this obligation, IPDEV did not do so.

17 In its Answer and Counterclaim to Ameranth’s complaint for infringement  
18 of the ‘077 Patent before this Court, QuikOrder accused Ameranth of inequitable  
19 conduct for not disclosing a January 7, 2010 Office Action Summary from the ‘633  
20 Application to the ‘077 Examiner. Dkt. 26, Case No. 12-cv-00742, pp. 12, 20 and  
21 Exh. 1. IPDEV, however, failed to disclose to the ‘449 Examiner *the very same*  
22 January 7, 2010 Office Action Summary from Ameranth’s ‘633 Application that  
23 was attached as Exhibit 1 to QuikOrder’s Answer and Counterclaim and described  
24 therein. Exh. 7. (Notably, QuikOrder’s Counterclaim is signed by George Yu, the  
25 attorney for QuikOrder who: (a) first came up with the idea of having IPDEV copy  
26 the claims of the ‘077 Patent and pursue an interference (Exh. 9, J. Kargman  
27 Depo., p. 114, ll. 10-20); and (b) was the original lead counsel of record for IPDEV  
28 in *this* priority of invention lawsuit.) The ‘633 Office Action Summary (Exh. 7)

1 was material to the ‘449 Patent prosecution because the ‘633 Examiner discussed  
2 the scope of the invention disclosed by the Cupps ‘739 Patent on which the ‘449  
3 Patent is based. Specifically, in that Office Action Summary, the Examiner  
4 determined that the ‘739 Patent specification did not expressly disclose either a  
5 ticketing application or a reservations application. Exh. 7, p. 10.

6 Nevertheless, in the ‘449 Patent application, IPDEV asserted that the ‘739  
7 specification disclosed *both* a ticketing application and a reservations application  
8 (Exh. 8, p. 12), and the ‘449 Patent issued with claims for both of these hospitality  
9 applications (Exh. 6, claims 4 and 5). There is no reference whatsoever in the  
10 ‘449/‘739 specification to ticketing or reservations functions. Even IPDEV’s  
11 patent prosecutor, Joe Hamilton, could not identify such disclosures in the  
12 specification. Exh. 13, Hamilton Depo., p. 253, ll. 18-22; p. 257, ll. 2-17. Had  
13 IPDEV informed the ‘449 Examiner of the ‘633 Office Action Summary, in which  
14 the PTO stated that the ‘739 Patent did *not* disclose ticketing or reservations  
15 applications, at least claims 4 and 5 of the ‘449 Patent would not have been  
16 granted, and inequitable conduct as to even a single claim results in  
17 unenforceability of the entire patent. Therasense, 649 F.3d at 1288 (“inequitable  
18 conduct regarding any single claim renders the entire patent unenforceable”).

19 3. IPDEV Created “Willful Blindness” on Behalf of the ‘449 Prosecutors  
20 for the ‘077 Litigation, Demonstrating an Intent to Deceive the PTO

21 Both James Kargman (chief officer of IPDEV and QuikOrder) and David  
22 Kargman (General Counsel of IPDEV and QuikOrder) were aware that in the  
23 consolidated infringement lawsuit QuikOrder and the defendants were challenging  
24 the validity of the ‘077 Patent and that QuikOrder had filed an answer and counter-  
25 claim to Ameranth’s complaint. Exh. 9, J. Kargman Depo., p. 222, l. 17 to p. 223,  
26 l. 9; p. 233, ll. 19-23; Exh. 12 (30(b)(6) Depo., p. 79, ll. 3-14). David Kargman, as  
27 General Counsel, personally reviewed and approved QuikOrder’s answer and  
28 counterclaim. Exh. 12 (30(b)(6) Depo., p. 80, ll. 4-8; p. 84, l. 13, to p. 85, l. 3; p.

1 102, ll. 5-13 p. 113, l. 19 to p. 115, l. 3). David Kargman also knew that the  
2 Perkins Coie firm was defending Starbuck’s against Ameranth’s infringement  
3 claims in the lawsuit. Exh. 12 (30(b)(6) Depo., p. 31. ll. 10-25). Likewise, Mike  
4 Warnecke, their outside IP counsel, was aware that Perkins Coie was representing  
5 Starbucks in the Ameranth infringement litigation while simultaneously  
6 prosecuting the application for the ‘449 Patent seeking to copy the same claims  
7 Starbucks was challenging. Exh. 10 (M. Warnecke Depo., p. 91, ll. 2-10).

8 The attorneys working on the Ameranth infringement lawsuit reported to  
9 David Kargman as QuikOrder’s General Counsel; the attorneys working on the  
10 ‘449 Patent prosecution reported to him as IPDEV’s General Counsel. Exh. 12  
11 (30(b)(6) Depo., p. 38, ll. 6-19). David Karman was the IPDEV agent responsible  
12 for providing the ‘449 prosecutors with information needed to make disclosures to  
13 the PTO (Exh. 3, D. Kargman Depo., p. 153, l. 20 to p. 154, l 23) and both David  
14 and James Kargman were involved in the ‘449 prosecution for IPDEV. Exh. 3 (D.  
15 Kargman Depo., p. 22, l. 19 to p. 23, l. 15); Exh. 9 (J. Kargman Depo., p. 115, ll.  
16 10-15). See also J. Kargman Decl., Dkt. 26-2, Case No. 1303 (“IPDEV retained  
17 Perkins Coie to prosecute the ‘077 patent [sic] and decisions relating to  
18 prosecution were made by prosecution counsel in conjunction with IPDEV”).

19 IPDEV acknowledges—consistent with 37 CFR §1.56(c)-- that the duty of  
20 disclosure to the PTO extended to both of the Kargmans. Exh. 3 (D. Kargman  
21 Depo., 27, ll. 8-17); Exh. 9 (J. Kargman Depo., p. 140, ll. 8-24). IPDEV, however,  
22 did not provide the ‘449 prosecutors with any materials from the infringement  
23 lawsuit for ‘077 Patent whose claims they were copying (Exh. 12 (30(b)(6) Depo.,  
24 p. 80, l. 22 to p. 81, l. 5, p. 82, l. 1 to p. 83, l. 2)), nor tell them that QuikOrder  
25 simultaneously was asserting that the identical claims of the ‘077 Patent were  
26 invalid. Exh. 12 (30(b)(6) Depo., p. 113, l. 19 to p. 115, l. 3). David Kargman, as  
27 IPDEV’s General Counsel, forbade Jim Kargman from speaking directly to Joe  
28 Hamilton and required any communication from Jim to go through him (David)

1 because Jim would “talk too much,” even going so far as to have “hung up the  
2 phone” on Jim. Exh. 9 (J. Kargman Depo., p. 186, ll. 3-23).

3 Nevertheless, despite IPDEV’s knowledge of the invalidity charges made in  
4 the related litigation both by IPDEV’s affiliate, QuikOrder, and IPDEV’s law firm,  
5 Perkins Coie (on behalf of Starbucks), and QuikOrder’s counterclaim attaching the  
6 ‘633 Office Action Summary, *none* of these materials were shared with the Perkins  
7 Coie attorneys prosecuting the ‘449 Patent application or disclosed to the PTO.

8 Although Joseph Hamilton was aware of Ameranth’s patent infringement  
9 litigation, he did not review any documents regarding it. Exh. 13 (Hamilton Depo.,  
10 p. 55, l. 17 to 56, l. 6; p. 178, l. 25 to p. 179, l. 4). Hamilton testified that he had a  
11 handful of phone conversations with George Yu, the attorney representing  
12 QuikOrder in defense of Ameranth’s infringement claims. Exh. 13 (Hamilton  
13 Depo., p. 100, ll. 8-16). Yu provided Hamilton with information in connection  
14 with IPDEV’s prosecution of the ‘449 Patent. Exh. 13 (Hamilton Depo., p. 81, ll.  
15 3-9). Hamilton even had discussions with Yu about the Ameranth v. QuikOrder  
16 litigation before this Court. Exh. 13 (Hamilton Depo., p. 107, ll. 3-22). Despite  
17 these communications, Hamilton was not made aware that QuikOrder had filed an  
18 answer to Ameranth’s complaint, and did not see a copy of the pleading until his  
19 deposition preparation in this matter. Exh. 13 (Hamilton Depo., p. 187, ll. 2-7, p.  
20 248, ll. 12-20). Hamilton knew that Perkins Coie was representing Starbucks  
21 against Ameranth in the patent infringement litigation (Exh. 13, Hamilton Depo.,  
22 p. 68, ll. 13-16), but he was screened off from any information or materials about  
23 that matter (Exh. 13, Hamilton Depo., p. 74, ll. 11-21).

24 Hamilton’s co-prosecutor, Yingli Wang, was kept even more in the dark.  
25 She was not even made aware that Ameranth had sued QuikOrder (or Starbucks)  
26 for infringement of the ‘077 Patent (Exh. 14, Wang Depo., p. 51, l. 19- p. 52. 1.1; p.  
27 55, ll. 2-22), and did not know that Perkins Coie was representing Starbucks in that  
28 suit. Exh. 14 (Wang Depo., p. 35, ll. 13-18; p. 55, ll. 2-11). She was not provided

1 with a copy of QuikOrder’s answer or the ‘633 Office Action attached thereto  
2 (Exh. 14 (Wang Depo., p. 171, ll. 9-15; p. 192, ll. 14-20)), and never saw  
3 Starbuck’s answer or knew that Perkins Coie had asserted that the ‘077 Patent  
4 claims were invalid. Exh. 14 (Wang Depo., p. 212, ll. 19-25; p. 216, ll. 13-20).

5 The patent prosecutors participated in making themselves willfully blind.  
6 Although Hamilton was aware of the Ameranth infringement litigation, he did not  
7 review any documents regarding the suits. Exh. 14 (Hamilton Depo., p. 55, l. 17 to  
8 56, l. 6; p. 178, l. 25 to p. 179, l. 16). Yingli Wang did nothing whatsoever to  
9 determine whether there was any related litigation regarding the ‘077 Patent claims  
10 that should be disclosed to the PTO. Exh. 14 (Wang Depo., p. 54, ll. 6-25; p. 92,  
11 ll. 11-23; p. 95, ll. 7-20). Absurdly, IPDEV delegated all responsibility for making  
12 disclosures to prosecution counsel, who had been shut out from knowledge of the  
13 information. Exh. 12 (30(b)(6) Depo., p. 40, ll. 5-11; p. 126, l. 18 to p. 127, l. 11).

14 **D. IPDEV Failed to Disclose Claim Constructions of the Terms of**  
15 **Ameranth’s Patents that Were Inconsistent with Positions Taken in the**  
16 **‘449 Prosecution**

17 IPDEV and the Perkins Coie firm were aware that claim terms contained in  
18 the ‘077 Patent (copied in the ‘449 Patent) had been construed by district courts in  
19 the Eastern District of Texas in litigation over related Ameranth patents in a  
20 manner that *contradicted* the construction arguments being made by IPDEV’s  
21 patent prosecution counsel to the PTO in support of the application for the ‘449  
22 Patent. IPDEV concealed all of this material information.

23 **1. The Issue—The EDTX Constructions of Ameranth’s Patents And**  
24 **Determination that Cupps Does Not Teach Synchronization**

25 Ameranth’s ‘077 Patent is a continuation in part of Ameranth’s ‘850 Patent.  
26 Ameranth’s ‘325 Patent is also a continuation of the ‘850 Patent. In its complaint  
27 in this action, IPDEV alleged that the claims of the ‘850 and ‘325 Patents are  
28 “obvious variants of the claims of the Ameranth ‘077 patent (and, hence, the

1 IPDEV ‘449 patent).” IPDEV Complaint, ¶¶ 22, 24. Thus, IPDEV acknowledges  
2 the relationship between the claims and subject matter of these patents.

3 The claims of ‘850 and ‘325 Patents use the term “wireless handheld  
4 computing device.” So too do the ‘077 Patent and the copy-cat ‘449 Patent.

5 The ‘850 and ‘325 Patents were litigated in the U.S. District Court for the  
6 Eastern District of Texas in the Menusoft and Par lawsuits. In those proceedings  
7 several terms were construed by the Court. Among those was “wireless handheld  
8 computing device.” In Judge Everingham’s April 21, 2010 claim construction  
9 order in the Menusoft suit, “wireless handheld computing device” was construed  
10 “to mean ‘a wireless computing device that is sized to be held in one’s hand.’”  
11 Exh. 15, p. 24. This construction posed an acute dilemma for IPDEV, because the  
12 specification for the ‘739 and ‘449 Patents *nowhere* discloses any such device.  
13 The closest the ‘739/‘449 specification comes is a distant reference to a “laptop,”  
14 distinct from a handheld. See Exh. 17. For that reason, in the application for the  
15 ‘449 Patent, IPDEV misrepresented to the Examiner that “Laptop is a handheld  
16 computer, thus the Specification as filed provides proper written description for  
17 ‘handheld computing device.’” Exh. 8, p. 5. IPDEV’s argument is inconsistent  
18 with both the PTAB’s and this Court’s recognition that the thrust of the claimed  
19 invention was reformatting for non-PC standard “PDA” size displays. See Exh. 5.  
20 pp. 27-28; Dkt. 57, pp. 3-4, Case No. 12-cv-00739.

21 Another central claim term to the ‘850, ‘325, ‘077 and copy-cat ‘449 Patents  
22 is the term “synchronized,” as the claimed inventions involve synchronization of  
23 applications and data throughout a connected system. “Synchronized” was  
24 construed by Judge Payne in the Par suit. In his August 10, 2012 claim  
25 construction order, Judge Payne explained how the synchronization element of  
26 Ameranth’s patents *distinguished them from the ‘739 Cupps Patent* (on which  
27 IPDEV’s ‘449 Patent relies). In Judge Payne’s words: “**Cupps did not disclose**  
28 **synchronization**. The Cupps reference discloses an online ordering system where

1 the client devices interact directly with dynamically generated web pages. Thus,  
2 there is **no suggestion or disclosure** that applications or data must be  
3 synchronized ....” Exh. 16, p. 15 (emphasis added). Despite the clear materiality  
4 of this ruling, IPDEV and its counsel withheld this order from the ‘449 Examiner.

5 2. Failure to Disclose the EDTX Claim Construction Orders Was Material

6 IPDEV’s failure to disclose the court orders construing “wireless handheld  
7 computing device” and “synchronized” and concluding that the ‘739 Patent  
8 specification did *not* disclose “synchronization” were material because if the ‘449  
9 Examiner knew of these related litigation orders he would *not* have allowed the  
10 patent. See MPEP §2001.6(c) (“Where the subject matter for which a patent is  
11 being sought is or has been involved in litigation, the existence of such litigation  
12 and any other material information arising therefrom must be brought to the  
13 attention of the U.S. Patent and Trademark Office”); DaimlerChrysler v. Feuling  
14 Adv. Tech., Inc., 276 F.Supp.2d 1054, 1062-63 (S.D. Cal. 2003); Mallinckrodt,  
15 Inc. v. Masimo Corp., 147 Fed. Appx. 158, 183-4 (Fed. Cir. 2005)(Failure to  
16 disclose claim constructions of same terms was inequitable conduct). See also  
17 Levitron Mfg. Co. v. Univ. Sec. Instr., 606 F.3d at 1362 (Fed. Cir. 2010).

18 In order to persuade the ‘449 Examiner that the Cupps ‘739 Patent  
19 specification taught and disclosed the core claim element “wireless handheld  
20 computing device,” IPDEV and its patent counsel presented a misleading argument  
21 that is contrary to the claim construction issued by Judge Everingham in Menusoft.  
22 The Cupps specification nowhere refers to wireless handheld computing devices,  
23 smartphones, PDA’s or other non-PC standard display devices. The Cupps  
24 specification does, however, use the term “client computer,” and states that: “A  
25 client computer can be any type of computing device, such as but not limited to,  
26 desktop computers, work-stations, laptops, and/or mainframe computers.” Based  
27 on this, IPDEV made the tautological argument in its Preliminary Statement to the  
28



1 PTO that: “Laptop is a handheld computer, thus, the Specification as filed provides  
2 proper written description for ‘handheld computing device.’” Exh. 8, p. 5.

3 A fatal flaw with this argument, however, is that it is flatly contradicted by  
4 the construction of “wireless handheld computing device” issued in the Eastern  
5 District of Texas (and contrary to that used by the PTAB in the ‘077 Patent CBM,  
6 *supra*). Judge Everingham held that the claim term meant “a wireless computing  
7 device that is sized to be held in one’s hand.” A laptop computer is not “sized to  
8 be held in one’s hand,” much less being capable of being operated in such a  
9 manner. Exh. 17. Had the ‘449 Examiner been apprised of the court’s  
10 construction of this core claim term, he would not have accepted IPDEV’s false  
11 representation that reference to a “laptop” sufficiently disclosed a “wireless  
12 handheld computing device,” and the ‘449 Patent would not have been issued.

13 Likewise, IPDEV represented to the ‘449 Examiner in its Preliminary  
14 Statement that the Cupps specification supposedly taught that hospitality data was  
15 “synchronized in real time” (referring to Figure 12B of the specification). Exh. 8,  
16 p. 6. IPDEV pointedly did *not* reveal to the Examiner that Judge Payne, in his  
17 August 10, 2012 claim construction order, actually had construed the term  
18 “synchronized” as used in the related patents and specifically found that “Cupps  
19 did not disclose synchronization.” If this judicial determination—flatly  
20 contradictory to IPDEV’s prosecution arguments—had been disclosed to the ‘449  
21 Examiner, he would not have issued the ‘449 Patent.

22 3. The ‘449 Prosecuting Attorneys Were Made Willfully Blind to the  
23 Judicial Claim Constructions

24 IPDEV and Perkins Coie were aware of the related litigation in the Eastern  
25 District of Texas and the claim construction orders therefrom, but concealed this  
26 information from the ‘449 prosecutors and consequently from the ‘449 Examiner.

27 Starbucks’ answer and counterclaim in the consolidated infringement action  
28 (filed by Perkins Coie) specifically referred to the infringement suits on

1 Ameranth’s ‘850 and ‘325 patents in the Eastern District of Texas. Dkt. 11, p. 9  
2 (Case No. 13-cv-1072). Defendant Hilton brought a motion to dismiss Ameranth’s  
3 complaints in July of 2013 on the grounds that Ameranth should be collaterally  
4 estopped by the judgments in the Par and Menusoft lawsuits. Dkt. 17, Case No.  
5 12-cv-1636. QuikOrder’s Rule 26(a) Initial Disclosures served on Ameranth list,  
6 among the documents that QuikOrder contends support its defenses and  
7 counterclaims: “pleadings, orders, deposition transcripts and exhibits from prior  
8 litigation related to the patents-in-suit.” Exh. 1, p. 14. More pointedly, during a  
9 telephonic status before this Court on September 12, 2013, the defendants  
10 acknowledged that they were aware of and had analyzed *the claim construction*  
11 *orders from the Eastern District of Texas*. The following exchange occurred:

12 *The Court:* “Do the parties, either plaintiff or defendants or both,  
13 intend to file motions for issue preclusion with respect to the claim  
14 construction that was done in the Menusoft and the Par case?”

15 *Mr. Zembek:* “The defendants are continuing to identify the claim  
16 terms that we would seek your construction on, as well to try to  
17 coordinate as much as possible as to a common set of claim  
18 constructions that we would offer. The defendants believe that to the  
19 extent there is a construction that we believe is adverse to Ameranth  
20 that Ameranth would be collaterally estopped from challenging such  
21 construction. The corollary of that is each of the individual defendants  
22 still have the opportunity to challenge any construction that Ameranth  
23 believes is favorable to it from the prior underlying cases.”

24 Exh. 11 (Rptr. Trans., pp. 10-11). Thus, the defendants in the consolidated  
25 infringement litigation, including IPDEV’s affiliate QuikOrder (represented by  
26 George Yu) and Starbucks (represented by Perkins Coie) knew of and examined  
27 the claim construction orders from the Menusoft and Par lawsuits.

28 The attorneys representing QuikOrder in the Ameranth infringement  
litigation (primarily George Yu) reported to David Kargman as General Counsel.  
Exh. 12 (30(b)(6) Depo., p. 38, ll. 6-19). Both David Kargman, as IPDEV’s

1 General Counsel, and Jim Kargman, as its chief officer, reviewed the Preliminary  
2 Statement filed by Perkins Coie behalf of IPDEV with the PTO representing that  
3 that the Cupps specification disclosed the terms of the ‘077 and ‘449 Patent claims,  
4 including the terms “wireless handheld computing device” and “synchronized.”  
5 Exh. 12 (30(b)(6) Depo., p. 98, ll. 11-19; p. 99, ll. 4-11). George Yu, QuikOrder’s  
6 counsel, spoke with Joe Hamilton, the ‘449 Patent prosecutor at Perkins Coie, after  
7 the Notice of Allowance for the ‘449 Patent issued but before the ‘449 Patent itself  
8 issued. Exh. 12 (30(b)(6) Depo., p. 76, l. 23 to p. 77, l. 18); Exh. 13 (Hamilton  
9 Depo., p. 188, l. 14 to p. 191, l. 12). The ‘449 Patent formally issued on May 27,  
10 2014. The duty of disclosure and candor to the PTO in connection with the ‘449  
11 Patent prosecution continued right up until the issuance of the patent. Exh. 13  
12 (Hamilton Depo., p. 284, ll. 10-12); Exh. 12 (30(b)(6) Depo., p. 31, ll. 1-8).

13 George Yu, counsel for QuikOrder, filed IPDEV’s priority of invention  
14 lawsuit in this Court on May 27, 2014, *the same day* that the ‘449 Patent issued.  
15 David Kargman, IPDEV’s General Counsel, reviewed IPDEV’s complaint before  
16 it was filed with the Court. Clearly IPDEV—through both George Yu and David  
17 Kargman—knew of the Par and Menusoft claim construction orders prior to formal  
18 issuance of the ‘449 Patent through their involvement with the consolidated patent  
19 infringement litigation before this Court, as discussed above. Despite such  
20 knowledge, IPDEV (and the Perkins Coie firm, by establishing an “ethical wall”)  
21 kept the ‘449 prosecutors—and the PTO—in the dark. The ‘449 prosecutors  
22 contributed to their blindness, making no inquiry whatsoever as to whether any of  
23 the claim terms of the Ameranth patents had ever been construed (Exh. 14 (Wang  
24 Depo., p. 96, l. 12-p. 97, l. 4)), including terms such as wireless handheld  
25 computing device and synchronized (Exh. 14 (Wang Depo., p. 134, ll. 2-17, p. 135,  
26 l. 10 to p. 136, l. 8)). They admit, however, that claim constructions can have a  
27 significant effect on the determination of whether a claim term is supported by a  
28 specification. Exh. 13 (Hamilton Depo., p. 281, l. 21, to p. 282, l. 8).

1 The fact that IPDEV made the ‘449 Patent prosecutors-- with their  
2 acquiescence-- willfully blind to material constructions of central claim terms of  
3 the ‘077 and ‘449 Patents that contradicted the representations the prosecutors  
4 were making in filings with the PTO clearly demonstrates intent to deceive.

5 **E. IPDEV Intentionally Failed To Disclose That The Claims Of The ‘077**  
6 **Patent Were Issued and Allowed Over The Cupps ‘739 Patent**  
7 Ameranth’s ‘077 Patent claims were allowed over IPDEV’s ‘739 Patent.

8 See Exh. 2, p. 2. IPDEV’s failure to disclose that the ‘077 claims (as well as the  
9 claims of Ameranth’s related ‘850 and ‘325 Patents) were allowed over Cupps was  
10 intentional and material. IPDEV’s principals and counsel clearly knew that the  
11 ‘077 claims were allowed over Cupps because they reviewed the ‘077 file history  
12 to copy the claims. QuikOrder’s Rule 26(a) Initial Disclosures list ‘077  
13 prosecution history documents among those QuikOrder intends to use in support of  
14 its defenses and counterclaims. Exh. 1, p. 14. Ameranth produced the complete  
15 file history of the ‘077 Patent to the defendants in the consolidated infringement  
16 lawsuit, including to IPDEV’s affiliate QuikOrder and to Starbucks, represented by  
17 Perkins Coie. Osborne Decl., ¶ 24. James and David Kargman are charged with  
18 knowledge of the ‘077 prosecution files as principals of QuikOrder. Finally, Joe  
19 Hamilton, who prosecuted the ‘449 Patent application, testified that he had a copy  
20 of the ‘077 Patent file history (Exh. 13 (Hamilton Depo., p. 90, ll. 13-17)), that he  
21 looked at the ‘077 Patent file history (Id. at p. 91, ll. 9-16), and looked at  
22 documents in the ‘077 Patent file history (Id. at p. 250, ll. 16-24).

23 The PTO’s grant of the ‘077 Patent claims over Cupps demonstrates that  
24 Cupps did not render the ‘077 claims obvious. The PTO’s determination of  
25 patentability of the ‘077 claims over Cupps was adverse to IPDEV’s right to patent  
26 those claims based on the Cupps specification. The Cupps disclosure clearly could  
27 not satisfy the written description requirement as to those claims because the  
28 claims were not even obvious in view of Cupps. The written description

1 requirement requires a showing that an inventor had possession of the claimed  
2 invention, which is a higher burden than obviousness. Obviousness is insufficient  
3 to satisfy the written description requirement. See Lockwood v. American  
4 Airlines, Inc., 107 F.3d 1565, 1572 (Fed. Cir. 1997). Because there was not  
5 obviousness, there could *not* have been sufficient written description.

6 IPDEV cannot excuse its failure to disclose the allowance of the '077 claims  
7 over Cupps by arguing that it identified the '077 Patent to the '449 Patent  
8 Examiner. IPDEV argued that the Cupps disclosure supported the copied claims;  
9 no examiner would have suspected that a party would copy claims and contend it  
10 was the inventor of them knowing that the claims had been issued *over* its patent  
11 specification. IPDEV was obligated to disclose all known contrary conclusions.  
12 Not doing so was an affirmative misrepresentation that Cupps supported the claims  
13 in conflict with the determination of a different Examiner that it did not. An intent  
14 to deceive the '449 Examiner is the single most reasonable inference to be drawn  
15 from IPDEV's failure to disclose this information to the Examiner.

### 16 III. CONCLUSION

17 IPDEV was required to advise the '449 Examiner of the multiple existing  
18 district court claim constructions, but did not. IPDEV was required to advise the  
19 '449 Examiner of the CBM petitions challenging patentability of the very claims  
20 IPDEV was pursuing, but did not. IPDEV was required to advise the '449  
21 Examiner of the PTAB's CBM order contradicting IPDEV's position in the '449  
22 prosecution, but did not. IPDEV was required to advise the '449 Examiner of the  
23 determination made by other examiners of the scope of the Cupps specification  
24 adverse to IPDEV's prosecution position, but did not. IPDEV was required to  
25 advise the '449 Examiner of all the related litigation, but did not. Not a single bit  
26 or page of this information, nor any IDS whatsoever, was filed with the '449  
27 Examiner. The information was intentionally withheld from the PTO, as IPDEV  
28

1 knew that it would have eviscerated the arguments IPDEV made to the Examiner  
2 in its Preliminary Statement asserting §112 support for the copied claims.

3 IPDEV, through its principals and outside counsel, knew of this material  
4 information which, if disclosed to the PTO, would have resulted in the rejection of  
5 IPDEV’s copy-cat patent application. IPDEV concealed all of this “but for”  
6 information from the PTO and conspired to make its prosecuting counsel willfully  
7 blind to most of it. The ‘449 prosecutors acquiesced and participated in this  
8 scheme. Such behavior constitutes inequitable conduct clearly undertaken with  
9 intent to deceive the PTO. Ameranth therefore requests the Court to summarily  
10 adjudicate that IPDEV’s ‘449 Patent is unenforceable for inequitable conduct  
11 committed during its prosecution.

12  
13 Dated: September 21, 2017 CALDARELLI HEJMANOWSKI PAGE & LEER

14  
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