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10
 11 **UNITED STATES DISTRICT COURT**
 12 **SOUTHERN DISTRICT OF CALIFORNIA**

13 IN RE: AMERANTH PATENT
 14 LITIGATION

15 Lead Case No. 11cv1810 DMS (WVG)

16 **DECLARATION OF JOHN W.**
 17 **OSBORNE IN SUPPORT OF**
 18 **AMERANTH'S MOTION FOR**
 19 **SUMMARY ADJUDICATION OF**
 20 **UNENFORCEABILITY OF '449**
 21 **PATENT BASED ON INEQUITABLE**
 22 **CONDUCT IN PROSECUTION OF '739**
 23 **PATENT AND '645 CONTINUATION**
 24 **APPLICATION; REQUEST FOR**
 25 **JUDICIAL NOTICE**

26 Date: September 15, 2017
 27 Time: 1:30 p.m.
 28 Location: Courtroom 13A
 Judge: Hon. Dana M. Sabraw

Complaint Filed: August 15, 2011

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DECLARATION OF JOHN W. OSBORNE

I, John W. Osborne, declare as follows:

1. I am an attorney licensed to practice and in good standing with the State Bar of New York, and am admitted in this matter *pro hac vice* in the United States District Court for the Southern District of California. I am also admitted to practice before the United States Patent & Trademark Office (the “PTO”). I am one of the counsel of record for Plaintiff Ameranth, Inc. (“Ameranth”), in these consolidated cases. I am familiar with the matters filed and served by the parties in these cases. On these bases, I have first-hand personal knowledge of the facts set forth in this declaration. If called upon to testify, I would and could do so competently as set forth herein. I provided this declaration in support of Ameranth’s Motion for Summary Adjudication of Unenforceability of ‘449 Patent Based on Inequitable Conduct in Prosecution of ‘739 Patent and ‘645 Continuation Application.

2. The current matter—IPDEV v. Ameranth—is a “priority of invention” dispute between IPDEV’s U.S. Patent No. 8,738,449 (the “‘449 Patent”) and Ameranth’s U.S. Patent No. 8,146,077 (the “‘077 Patent”). IPDEV has admitted that, in its application to the PTO for the ‘449 Patent, it intentionally copied the claims of Ameranth’s ‘077 Patent.

3. The ‘449 Patent claims to be a continuation of Patent Application No. 09/282,645 (the “‘645 Application”), which in turn is a continuation of the ‘739 Patent. The ‘449 Patent thus relies upon the same specification as the ‘739 Patent and ‘645 Application. Based on this “lineage,” IPDEV claims an effective filing date for the ‘449 Patent of November 24, 1997, the filing date of the application for the ‘739 Patent. Ameranth contests that the claims of IPDEV’s ‘449 Patent (which copy the claims of Ameranth’s ‘077 Patent) are actually taught, disclosed by, described or enabled by the specification of the ‘739 Patent. However, those disputes are not at issue in the present motion.

1 4. Through the present motion, Ameranth requests that the Court
2 summarily adjudicate that IPDEV's '449 Patent is unenforceable as a result of
3 inequitable conduct and fraud on the PTO perpetrated during the prosecution of
4 the '739 Patent and the '645 Application, of which the '449 Patent purports to be a
5 continuation. Ameranth contends that the named inventors of the IPDEV patents/
6 applications (Tim Glass and Bryan Cupps), representatives of the entities to which
7 the patents and applications were assigned (CyberMeals, Food.com, and IPDEV),
8 and the patent prosecution counsel representing them, violated their respective
9 duties of candor and disclosure to the PTO in connection with the prosecution of
10 the application for the '739 Patent and the '645 Application and attempted to
11 conceal and obfuscate such conduct. [Separately, Ameranth contends that IPEV's
12 representatives and patent prosecution counsel committed inequitable conduct in
13 connection with the prosecution of the application for the '449 Patent itself, and
14 reserves the right to bring a separate motion for summary adjudication on that
15 distinct basis.]

16 5. Lodged with the Court as **Exhibit 1** to the Notice of Lodgment
17 ("NOL") filed herewith is a true and correct copy of the Answer, Affirmative
18 Defenses and Counterclaims filed by QuikOrder, Inc. to a complaint for
19 infringement of the '739 Patent filed by Food.com against QuikOrder in May of
20 2001 in the United States District Court for the Northern District of California.
21 Ameranth requests that the Court take judicial notice of the pleading as a court
22 record. The pleading was also identified as an exhibit in the depositions of James
23 Kargman (an officer of both IPDEV and QuikOrder) and of Tim Glass taken in
24 this matter.

25 6. Lodged with the Court as **Exhibit 2** to the NOL is a true and correct
26 copy of a Proof of Claim filed by Papa John's International, Inc. against the
27 bankruptcy estate of Food.com in May 2004 in the United States Bankruptcy
28 Court of Northern California. Ameranth requests that the Court take judicial

1 notice of the Proof of Claim as a court record. The Proof of Claim was also
2 identified as an exhibit in the deposition of James Kargman in this matter.

3 7. Lodged with the Court as **Exhibit 3** to the NOL is a true and correct
4 copy of the '739 Patent as issued by the PTO. Ameranth requests that the Court
5 take judicial notice of the '739 Patent as a record of the PTO. The patent was also
6 identified as an exhibit in the deposition of Tim Glass, one of its named inventors,
7 in this matter. The application for the '739 Patent was filed on November 24,
8 1997 by the patent prosecution law firm Flehr Hohbach Test Albritton & Herbert.

9 8. Lodged with the Court as **Exhibit 4** to the NOL is a true and correct
10 copy of the Service Mark Registration for "CyberSlice" filed with the PTO in
11 April of 1997. The Registration states a first use in commerce of CyberSlice in
12 October of 1996. Ameranth requests that the Court take judicial notice of the
13 CyberSlice registration as a record of the PTO. The registration was also
14 identified as an exhibit in the deposition of Tim Glass.

15 9. Lodged with the Court as **Exhibit 5** to the NOL is a true and correct
16 copy of an article entitled: "*Pizza by the byte; CyberSlice signs parlors to take*
17 *orders via the Internet,*" published on December 1, 1996, in bizjournals.com. I
18 retrieved the article from an internet search and printed it in June of 2017. The
19 article contains a statement from Tim Glass, one of the named inventors of the
20 '739 Patent, including acknowledgements that his idea for the invention described
21 in the patent was inspired by the film "The Net," and that by December 1, 1996,
22 he and his staff had enrolled "nearly 1,000 pizza outlets" to use the CyberSlice on-
23 line pizza order system.

24 10. Lodged with the Court as **Exhibit 6** to the NOL is a true and correct
25 copy of the transcript of the deposition of Tim Glass taken in this matter on June
26 15, 2017.

27 11. Lodged with the Court as **Exhibit 7** to the NOL is a true and correct
28 copy of a 1996 CyberSlice start up and development timeline produced by Tim

1 Glass in response to Ameranth’s deposition subpoena in this matter. Glass
2 testified that he kept the documents he produced in his “personal files.” The
3 timeline was identified as an exhibit in the deposition of Tim Glass.

4 12. Lodged with the Court as **Exhibit 8** to the NOL is a true and correct
5 copy of a 1996 weekly to do list produced by Tim Glass in response to
6 Ameranth’s deposition subpoena in this matter. Glass testified that he kept the
7 documents he produced in his “personal files.” The to do list was identified as an
8 exhibit in the deposition of Tim Glass.

9 13. Lodged with the Court as **Exhibit 9** to the NOL is a true and correct
10 copy of an April 1, 2001 License Agreement between Food.com, Inc. and Papa
11 John’s International for the ‘739 Patent produced by Papa John’s in response to
12 Ameranth’s requests for production of documents in this matter.

13 14. Lodged with the Court as **Exhibit 10** to the NOL is a true and correct
14 copy of a February 18, 2004 letter from attorney Troy Klyber (as counsel for
15 IPDEV) to the Office of the General Counsel of Papa John’s International,

16 [REDACTED]
17 [REDACTED] The letter was produced by Papa
18 John’s in response to Ameranth’s requests for production of documents in this
19 matter.

20 15. Lodged with the Court as **Exhibit 11** to the NOL is a true and correct
21 copy of a February 24, 2004 letter from attorney James Higgins, as counsel for
22 Papa John’s International, to attorney Troy Klyber, as counsel for IPDEV. The
23 letter was produced by Papa John’s in response to Ameranth’s requests for
24 production of documents in this matter and was identified as an exhibit in the
25 deposition of James Kargman.

26 16. Lodged with the Court as **Exhibit 12** to the NOL is a true and correct
27 copy of a Notice of Compromise filed on August 9, 2006 in the Bankruptcy Court
28 for the Northern District of California in the Food.com bankruptcy proceedings.

1 Ameranth requests that the Court take judicial notice of the Notice of Compromise
2 as a court record. The Notice of Compromise also was produced by Papa John's
3 in response to Ameranth's requests for production of documents in this matter and
4 was identified as an exhibit in the deposition of James Kargman.

5 17. Lodged with the Court as **Exhibit 13** to the NOL is a true and correct
6 copy of an Order by the Bankruptcy Court for the Northern District of California
7 approving Compromises proposed by the bankruptcy trustee for Food.com in the
8 Food.com bankruptcy proceedings, including a compromise with Papa John's.
9 Ameranth requests that the Court take judicial notice of the Order as a court
10 record. The Order also was produced by Papa John's in response to Ameranth's
11 requests for production of documents in this matter and was identified as an
12 exhibit in the deposition of James Kargman.

13 18. Lodged with the Court as **Exhibit 14** to the NOL is a true and correct
14 copy of a Declaration of Tim Glass, dated July 26, 2002, with exhibits, filed in the
15 PTO in the '645 Application. Ameranth requests that the Court take judicial
16 notice of the declaration as a record of the PTO. The declaration was also
17 identified as an exhibit in the deposition of Tim Glass.

18 19. Lodged with the Court as **Exhibit 15** to the NOL is a true and correct
19 copy of an Information Disclosure Statement ("IDS") filed in the PTO in the '645
20 Application on August 7, 2002. Ameranth requests that the Court take judicial
21 notice of the IDS as a record of the PTO. The IDS was also identified as an
22 exhibit in the deposition of Tim Glass.

23 20. Lodged with the Court as **Exhibit 16** to the NOL is a true and correct
24 copy of an Office Action Summary issued in the '645 Application in October of
25 2002. In paragraph 7 of the Office Action Summary, the Examiner notes that an
26 issue of public use or on sale activity has been raised in connection with the
27 application, and requests that the applicant provide additional documentation
28 regarding this issue. Ameranth requests that the Court take judicial notice of the

1 Office Action Summary as a record of the PTO. The Office Action Summary was
2 also identified as an exhibit in the deposition of Tim Glass.

3 21. Lodged with the Court as **Exhibit 17** to the NOL is a true and correct
4 copy of an Amendment submitted to the PTO in the '645 Application in April of
5 2003. With regard to the public use/ on-sale issue raised by the Examiner, Section
6 I of the Amendment represents that: "after a careful search of their records, the
7 inventors were unable to locate any documentation beyond that submitted with
8 their previously filed declarations in the present application." Ameranth requests
9 that the Court take judicial notice of the Amendment as a record of the PTO. The
10 Amendment was also identified as an exhibit in the deposition of Tim Glass.

11 22. Lodged with the Court as **Exhibit 18** to the NOL are true and correct
12 copies of several documents (Bates labeled GLASS000001-GLASS000240) that
13 were produced by Tim Glass to Ameranth in this matter in response to
14 Ameranth's deposition subpoena to Glass. Glass testified in his deposition that he
15 maintained these documents in his "personal files." They include documents that
16 were not contained in the declarations of Tim Glass and Bryan Cupps submitted to
17 the PTO in 2002 in connection with the '645 Application.

18 23. Lodged with the Court as **Exhibit 19** to the NOL is a true and correct
19 copy of declaration of Bryan Cupps dated July 13, 2017 served by IPDEV upon
20 Ameranth in this lawsuit.

21 24. Lodged with the Court as **Exhibit 20** to the NOL is a true and correct
22 copy of a LinkedIn.com profile of Steve Green, a former employee of
23 CyberMeals, which I retrieved and printed from the Internet in June of 2017. The
24 description of Mr. Green's work at CyberMeals between May 1996 and January
25 1997 explains that: (a) Tim Glass's idea for the invention was inspired by a scene
26 in the movie "The Net" and that when the system "was launched in December
27 1996; (b) during his 9 month tenure at CyberMeals (May 1996 to January 1997)
28 the CyberMeals sales force signed up "1000 pizzerias" to use the online ordering

1 system; and (c) Steve Jobs demonstrated how the system worked by ordering the
2 first pizza online.”

3 25. Lodged with the Court as **Exhibit 21** to the NOL is a true and correct
4 copy of an article published on December 2, 1996 by PRNewire entitled
5 “*CyberSlice Makes Ordering Pizza as ‘Easy as Pie.’*” I retrieved and printed the
6 article from the Internet in June of 2017. The article was also identified as an
7 exhibit in the deposition of Tim Glass. The December 1996 article reports that the
8 CyberSlice system is rolling out services to “1,000 pizzerias in the Boston, New
9 York, San Francisco and Seattle metropolitan areas.” The article also reports an
10 interview with Tim Glass in which he explains that CyberSlice was inspired by a
11 scene in the movie “The Net.” The article further states that CyberSlice integrates
12 technology from MapQuest.

13 26. Lodged with the Court as **Exhibit 22** to the NOL is a true and correct
14 copy of QuikOrder’s Response to Food.com’s First Set of Interrogatories served
15 by QuikOrder in the Food.com v. QuikOrder patent infringement lawsuit in the
16 Northern District of California dated July 9, 2001, and verified by James
17 Kargman. The interrogatory responses were produced by IPDEV to Ameranth in
18 discovery in this matter.

19 27. Lodged with the Court as **Exhibit 23** to the NOL is a true and correct
20 copy of QuikOrder’s Supplemental Response to Food.com’ First Set of
21 Interrogatories served by QuikOrder in the Food.com v. QuikOrder patent
22 infringement lawsuit in the Northern District of California dated September 17,
23 2001, and verified by James Kargman. The interrogatory responses were
24 produced by IPDEV to Ameranth in discovery in this matter and were identified
25 as an exhibit in the depositions of Tim Glass and James Kargman.

26 28. Lodged with the Court as **Exhibit 24** to the NOL is a true and correct
27 copy of the transcript of the deposition of James Kargman taken in this matter on
28 July 17, 2017.

1 29. Lodged with the Court as **Exhibit 25** to the NOL is a true and correct
2 copy of a April 15, 1998 Non-Disclosure and Confidentiality Agreement signed
3 by Timothy Glass (on behalf of CyberMeals) and James Kargman produced by
4 IPDEV to Ameranth in this matter.

5 30. Lodged with the Court as **Exhibit 26** to the NOL is a true and correct
6 copy of a June 12, 2017 declaration of Tim Glass served by IPDEV upon
7 Ameranth in this matter. The declaration was also identified as an exhibit in the
8 deposition of Tim Glass.

9 31. Lodged with the Court as **Exhibit 27** to the NOL is a true and correct
10 copy of a May 29, 1998 article published in the Chicago Sun-Times entitled "*Web
11 idea is inspired by movie.*" I retrieved and printed the article from the Internet in
12 June of 2017. The article was also identified as an exhibit in the deposition of
13 Tim Glass. The article reports how Tim Glass's idea for the CyberSlice system
14 practicing the claims of the '739 Patent was inspired by a scene from the film "the
15 Net."

16 32. Lodged with the Court as **Exhibit 28** to the NOL is a true and correct
17 copy of a 1996 CyberSlice Business Plan produced by IPDEV to Ameranth in this
18 matter and identified as an exhibit in the deposition of Tim Glass. [REDACTED]

19 [REDACTED]
20 [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED]
24 [REDACTED]
25 [REDACTED]

26 33. Lodged with the Court as **Exhibit 29** to the NOL is a true and correct
27 copy of the Preliminary Invalidity Contentions served upon Ameranth in the
28 consolidated patent infringement litigation pending before this Court by the

1 defendants, including on behalf of defendant QuikOrder, IPDEV’s affiliate. One
2 of the asserted “prior art” references in those invalidity contentions, on p. 12, is
3 the film “The Net.”

4 34. Lodged with the Court as **Exhibit 30** to the NOL is a true and correct
5 copy of the Notice of Allowance for the ‘739 Patent issued on December 30, 1998
6 by the PTO. The Notice of Allowance was produced in discovery in this matter
7 by IPDEV to Ameranth. Ameranth requests that the Court take judicial notice of
8 the Notice of Allowance as a record of the PTO. The two specific reasons for
9 allowance of the ‘739 Patent identified by the Examiner were: (a) the use of
10 mapping geocodes for on-line ordering of home delivery; and (b) use of
11 interactive voice recognition to place customer internet orders with a vendor.

12 35. Lodged with the Court as **Exhibit 31** to the NOL is a true and correct
13 copy of United States Patent No. 5,778,231 issued by the PTO. The application
14 for the ‘231 Patent was filed on December 20, 1995, by the same patent
15 prosecution law firm (Flehr Hohbach Test Albritton & Herbert) that filed the
16 application for the ‘739 Patent. The ‘231 Patent was identified as an exhibit in the
17 deposition of Tim Glass. Ameranth requests that the Court take judicial notice of
18 the Patent as a record of the PTO.

19 36. Lodged with the Court as **Exhibit 32** to the NOL is a true and correct
20 copy of an Order from the United States Bankruptcy Court for the Northern
21 District of California issued in February of 2004 in the Food.com bankruptcy
22 proceedings approving the sale of ‘739 Patent and the ‘645 Application from the
23 bankruptcy trustee of Food.com to IPDEV, and the sale and assignment of Papa
24 John’s International’s License Agreement for the ‘739 Patent to IPDEV. The
25 attachments to the Order include the Asset Purchase Agreement between the
26 bankruptcy trustee of Food.com and IPDEV, signed by James Kargman on behalf
27 of IPDEV. The Order was identified as an exhibit to the deposition of James
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1 Kargman. Ameranth requests that the Court take judicial notice of the Order as a
2 court record.

3 37. Lodged with the Court as **Exhibit 33** to the NOL is a true and correct
4 copy of a declaration of Bryan Cupps dated July 26, 2002, filed with the PTO in
5 the '645 Application. The declaration was identified as an exhibit in the
6 deposition of Tim Glass. Ameranth requests that the Court take judicial notice of
7 the declaration as a record of the PTO.

8 38. Lodged with the Court as **Exhibit 34** to the NOL are true and correct
9 copies of excerpts from the rough draft of the transcript of the deposition of
10 Michael Warnecke taken in this matter on August 11, 2017.

11 39. Lodged with the Court as **Exhibit 35** to the NOL is a true and correct
12 copy of a May 31, 1999 article published in the Baltimore Sun entitled ““Byte to
13 Bite: Want fast accurate takeout or deliver? Fire up a Web order via Seattle and
14 enjoy.” I retrieved and printed the article from the Internet in August of 2017.
15 The article reports how Tim Glass’s idea for the CyberSlice system practicing the
16 claims of the '739 Patent was inspired by a scene from the film “the Net.” The
17 article further describes that the CyberSlice system was launched in December of
18 1996 and how Steve Jobs of Apple placed the first food order.

19 40. Lodged with the Court as **Exhibit 36** to the NOL is a true and correct
20 copy of a Declaration of James B. Kargman filed by IPDEV with the Court in this
21 lawsuit. The declaration was identified as an exhibit in the deposition of James
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1 Kargman taken in this matter. Ameranth requests that the Court take judicial
2 notice of the Order as a court record.

3 I declare under penalty of perjury under the laws of the United States that
4 the foregoing is true and correct of my own personal knowledge and that I
5 executed this declaration on August 16, 2017, in Cortlandt Manor, New York.

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/s/John W. Osborne

John W. Osborne