O'Kelly Ernst & Joyce, LLC

Sean T. O'Kelly, Esquire
sokelly@oelegal.com
Direct (302) 778-4001

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The Honorable Christopher J. Burke
United States District Court
For the District of Delaware
844 North King Street
Wilmington, DE 19801

VIA E-FILING

Re: Techno View IP, Inc. v. Oculus VR, LLC et al.,
C.A. No. 17-386 (CFC)(CJB)

Dear Judge Burke:

We write on behalf of Plaintiff in response to the Court's order in its October 18, 2018 Report and Recommendation for further letter briefing on the "with a processor" claim terms. (D.I. 85 at 20). As the Court recognized when it ordered this briefing, the issue is not whether 35 U.S.C. § 112 ¶ 6, can apply to *any* method claim limitation, but whether the Defendant has overcome the presumption that § 112 ¶ 6 does not apply to the specific "with a processor" claim steps. Here, Defendant has failed to overcome the presumption for the following reasons.

With respect to a method claim, Defendants continue to misunderstand the correct application of "step-plus" function versus "means-plus" function limitations. Defendants have, moreover, chosen to disregard the Court's order to further brief the Court on the application of "step-plus" review under § 112 ¶ 6. As expressly held by the Federal Circuit, "'structure' and 'material' are associated with means-plus function claim elements while 'acts' is associated with step-plus function claim elements." *Seal-Flex, Inc. v. Athletic Track & Court Const.*, 172 F.3d 836, 848 (Fed. Cir. 1999). The method claim in the instant case nowhere recites "means for" language. Thus, the Court in its October 18, 2018 Report and Recommendations has recited the correct standard for the method claims of the instant case when stating that "means-plus function limitations are found in apparatus claims, whereas step-plus function limitations are found in method claims." Dkt. 85, p. 13; *Dynamic Digital Depth Research PTY LTD v. LG Elecs., Inc.*, No. CV 15-5578-GW(EX), 2016 WL 7444569, at *11 (C.D. Cal. Nov. 7, 2016).

The Court has further correctly described the approach for determining when the "step-plus" function portion of § 112 ¶ 6 applies to method claims. Specifically, the correct approach for determining when § 112 ¶ 6 applies to method claims is to look at the plain language of the claim. For example, "[i]f (as here) the claim does not recite 'steps for,' the defendant must make a showing that the limitation contains nothing that can be construed as an act in order for Section

112, paragraph 6 to be implicated." Dkt. 85, p. 18 (quoting *Masco Corp. v. United States*, 303 F .3d 1316, 1327 (Fed. Cir. 2002)). Said differently, if a claim element recites both a step for performing a particular function and an act in support of the function, § 112 ¶ 6 will not apply to that claim element.

There is no question that the "with a processor" claims do not include "steps for" language, which would provide a presumption of § 112 ¶ 6 applicability. The "with a processor" claims do, however, recite a function and an act that shows how the function is being accomplished. For example, the "with a processor claim" recites the following function: "calculating … second position coordinates of a second eye view of the object in three dimension space." Further, the claim recites the following act, which is how the function is accomplished: "using the calculated first position coordinates of the first eye view." Thus, the "with a processor" claim cannot be interpreted as a "step-plus" function claim reviewable under the § 112 ¶ 6 standard.

Rather than utilize the correct approach when deciding whether to review a method claim under § 112 ¶ 6. Defendants ask the Court to ignore Federal Circuit precedent and apply the same analysis to both means- and step-plus-function claims. Defendants argue that the Court should follow this approach because the method claim recites the term "processor," and the recited "processor" is a physical component. Accordingly, Defendants contend the "with a processor" method claim is not a step, and step-plus-function analysis should not apply to that claim element. Dkt. 86, p. 2. We disagree. The claim term to be construed is not simply the word "processor." Rather, the claim terms to be construed are "calculating, with a processor of the videogame system, second position coordinates of a second eye view of the object in three dimensional space using the calculated first position coordinates of the first eye view" and "calculating, with a processor of the videogame system, second spatial coordinates of a second eye view of the virtual object in the videogame in three dimensional space by coordinate transformation equations using the calculated first position coordinates of the first eye view and the position of the virtual object in the videogame." That is, the claim terms in question are **method claims** that, in context, involve far more words than simply "processor." Further, as noted in *Zeroclick*, "[i]n determining whether this presumption has been rebutted, the challenger must establish by a preponderance of the evidence that the claims are to be governed by § 112, ¶ 6." *Zeroclick, LLC v. Apple Inc.*, 891 F.3d 1003, 1007 (Fed. Cir. 2018) (citing *Advanced Ground Info. Sys., Inc. v. Life360, Inc.*, 830 F.3d 1341, 1347 (Fed. Cir. 2016)). However, Defendant's letter brief (Dkt. 86) fails to provide any intrinsic or extrinsic evidence in support of their position, and thus the presumption cannot be overcome.

At various points in their argument, Defendants refer to cases involving method claims where § 112 ¶ 6 has been applied. Dkt. 86, pp. 2-3. The cases cited by Defendants, however, relate to claims which differ than the claims in the present case. For example, in the *J & M* case cited by Defendants, the issue involved infringement under the doctrine of equivalents rather than claim construction. Further, the Federal Circuit stated, in part, that "[t]he district court construed this limitation to be a means-plus-function limitation under 35 U.S.C. ¶ 6 and neither party has challenged this determination on appeal. **We need not consider, under our *de novo* review, whether this construction is correct** …." *J & M Corp. v. Harley-Davidson, Inc.*, 269 F.3d 1360, 1367, n.3 (Fed. Cir. 2001) (*emphasis added*). As such, because the Federal Circuit expressly indicated that it would not consider whether the construction in *J & M* is correct, this

case cannot be used to support Defendants' position. Similarly, neither party in *Network Appliance* even raised the issue of whether step-plus-function language should apply, and none of the California district court's opinion is directly on point. See *Network Appliance Inc. v. Sun Microsystems Inc*., No. C-07-06053 EDL, 2008 WL 4193049, at *17 (N.D. Cal. Sept. 10, 2008).

Further, every case referred to by Defendants included claim language involving method claims *describing functions without acts*. For example, in *On Demand Mach. Corp. v. Ingram Indus., Inc.*, 442 F.3d 1331 (Fed. Cir. 2006), the claim limitation at issue was "*providing means for a customer to visually review said sales information." Id.* at 1341. The court in *On Demand* did not explicitly describe why § 112 applied. However, this limitation clearly describes a function without an act, and thus § 112 should apply using the approach correctly identified by the Court. As provided above, the "with a processor" claim of the instant case recites both a function and the act describing how the function is accomplished. Thus, for this additional reason the cases cited by Defendants are inapplicable to the Court's § 112 ¶ 6 rationale.

Finally, Defendants mischaracterize *Epcon Gas* and its impact on governing law regarding step-plus-function claims. Defendants state that, "[a]s such, the assertion in *Epcon Gas* that Section 112(6) is implicated for a method claim 'only when steps plus function without acts are present,' does nothing more than articulate when a step-plus-function analysis may be appropriate." Dkt. 86, p. 2 (quoting *Epcon Gas Sys., Inc. v. Bauer Compressors, Inc.*, 279 F.3d 1022, 1028 (Fed. Cir. 2002)). However, this statement by the Court in *Epcon Gas* is more than just guidelines for what step-plus-function analyses might possibly be appropriate. Instead, it is a restatement of the specific technique that must be used to determine when limitations in method claims will fall under § 112. While Defendants are correct that *Williamson* did cite to *Masco Corp. v. United States*, 303 F.3d 1316 (Fed. Cir. 2002), the Court disapproved only of extending *Masco's* holding to means-plus-function terms and expressly overruled the requirement of *Flo Healthcare Sols., LLC v. Kappos*, 697 F.3d 1367, 1374 (Fed.Cir.2012) of "a showing that the limitation essentially is devoid of anything that can be construed as structure." *Williamson v. Citrix Online*, LLC, 792 F.3d 1339, 1349 (Fed. Cir. 2015). Nothing in *Williamson* suggests that *Masco* is no longer the governing law for identifying step-plus-function terms. Instead, the *Williamson* Court merely recognized the different standard applicable to step-plus-function terms and commented only that *Masco* involved "the unusual circumstances in which § 112, para. 6 relates to the functional language of a method claim." *Id.* Thus, *Masco* is still governing law for identifying step-plus-function terms.

In conclusion, Plaintiff respectfully submits that the claimed limitations of the "with a processor" claims do not invoke § 112 ¶ 6. This conclusion is consistent with Federal Circuit precedent and district court decisions. Accordingly, Plaintiff respectfully requests that the Court adopt its position that these terms be construed as not being subject to § 112 ¶ 6.

Respectfully,

/s/ Sean O'Kelly

Sean O'Kelly