

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

TOUCHSTREAM TECHNOLOGIES, INC.,

Plaintiff,

v.

CHARTER COMMUNICATIONS, INC., et al.,

Defendants.

Lead Case No. 2:23-cv-00059-JRG

TOUCHSTREAM TECHNOLOGIES, INC.,

Plaintiff,

v.

COMCAST CABLE COMMUNICATIONS,
LLC, D/B/A XFINITY, et al.,

Defendants.

Member Case No. 2:23-cv-00062-JRG

**CHARTER DEFENDANTS' RESPONSE TO PLAINTIFF'S MOTION TO STRIKE
UNELECTED PRIOR ART EXHIBITS**

Charter Defendants respectfully oppose Touchstream's Motion To Strike Unelected Prior Art Exhibits (Dkt. 342, "Mot.," "Motion").

I. Introduction

Touchstream's Motion to Strike is a veiled attempt at reconsideration of its MIL No. 3, which asked for the exact same relief, *i.e.*, to strike unelected prior art references that are not being used for invalidity. But Touchstream lost MIL No. 3 and never objected to Magistrate Judge Payne's Order thereon. Moreover, Touchstream had all of the information that it has now when its objections to Magistrate Judge Payne's Order were due, since Charter had informed Touchstream that it was not pursuing a prior art invalidity defense at trial nearly a month earlier. Magistrate Judge Payne's ruling on MIL No. 3 applies now, just as it did then—there are permissible uses for unelected prior art references—and Touchstream's improper motion for reconsideration should be denied.

Nonetheless, Charter offered a compromise to Touchstream wherein the parties remove the exhibits subject to Touchstream's Motion, with the exception of JTX020, JTX021, JTX022, and JTX026—*i.e.* JTX020, JTX021, JTX022, and JTX026 would stay, and the others would be dropped. Touchstream rejected this compromise offer. Ex. 1 at 1.

II. Argument

A. Touchstream's Motion Is An Improper Motion For Reconsideration Of The Order On Touchstream's MIL No. 3

This exact issue was already briefed, and Touchstream lost. Touchstream's MIL No. 3 asked the Court to exclude "references that are not disclosed [in] invalidity combinations." Dkt. 170 at 6-7. Charter opposed Touchstream's MIL No. 3, explaining that these prior art references were nonetheless relevant to other issues, including to "establish that Touchstream's claimed invention adds no value over the prior art" for purposes of damages, as just one example.

Dkt. 201 at 7-8. Moreover, Charter's opposition cited to the very same paragraphs of Dr. Shamos's Rebuttal Expert Report that Touchstream now complains about, *and* Touchstream never moved to strike these opinions. Compare Mot. at 4 (citing Shamos Rebuttal Report, ¶¶282-87), with Dkt. 201 (Charter's Opposition to Touchstream's MILs) at 7 (citing Shamos Rebuttal Report, ¶¶281-85).

At the December 19, 2024, pretrial conference, Charter similarly explained that unelected prior art would not be used for invalidity purposes, but instead for damages regarding the value proposition over the prior art, per *Georgia-Pacific* Factor 9:

We're not going to be lining up claim limitations to pieces of prior art that are not part of the grounds. But the importance of this, Your Honor, is that the Plaintiff is going to claim to have solved a problem that had not been solved, and that's what they contend is the value proposition of their invention. *It goes to damages. What our expert is going to say is, look, the problem identified in these patents, the Touchstream patents, was solved in a lot of different ways. And so at most, Touchstream's solution is just one of many for addressing this problem. And they don't get credit as the only solution, and that's going to be the extent of his testimony.* So we're not going to be trying to confuse the jury with claim elements and -- and putting in some sort of a disguised obviousness argument by combining references. We're not doing any of that. . . . So we're going to limit it to showing *the damages aspect*, the knowledge of a POSITA in general, and the other issues identified in our motion, secondary considerations, *old modes under Georgia-Pacific Factor 9*, and the other things at Page 9 of our responsive brief on this.

December 19, 2024, PTC Tr. at 77:10-78:10 (emphases added). Magistrate Judge Payne agreed with Charter, and orally denied Touchstream's MIL No. 3:

[T]he Defendant understands that they cannot use unelected prior art to show the jury that that art meets the limitations of the claims. And what they're saying is they're not offering it for that purpose. . . .

[T]hat showing [invalidity] should be limited to the elected prior art. And if you [Touchstream] are able to show that, in fact, the expert is making that argument based on unelected prior art, you should object. *But I'm going to note what the general rule is and that the Defendant says they're going to stand by it. But, otherwise, deny the request to limit the number of references that the expert can mention in discussing the state of the art.*

December 19, 2024, PTC Tr. at 78:14-18, 79:14-22. Magistrate Judge Payne thereafter issued an order on MIL No. 3: “This motion in limine is **DENIED** as overbroad. Defendants are bound by their representations that they will not use unelected prior art to show the jury that the prior art meets the limitations of a claim.” Dkt. 275 at 2 (emphasis in original).

Touchstream’s objections to Magistrate Judge Payne’s MIL Order were due by February 4, 2025, per Fed. R. Civ. P. 72(a), nearly a month after Charter notified Touchstream that it was not presenting any prior art based invalidity defenses at trial on January 6, 2025. Ex. 2 (Charter’s Disclosure of Final Invalidity Theories). But Touchstream only objected to Judge Payne’s rulings on Charter’s MIL Nos. 1 and 2. Dkt. 247. Touchstream made no objection to the ruling on its MIL No. 3, despite knowing that a “party may not assign as error a defect in the [magistrate judge] order not timely objected to.” Fed. R. Civ. P. 72(a). Moreover, Touchstream did not even reach out to Charter regarding removal of the unelected prior art references from the exhibit list until February 4, 2025.

Simply put, Touchstream’s Motion requests exactly the same relief as their MIL No. 3, but Touchstream blew its deadline to object to that ruling, and there has been no change in circumstances that somehow justifies Touchstream’s improper renewed request for the same relief. While Touchstream’s Motion for Leave states that “by the time Charter dropped its prior art invalidity defenses, Touchstream’s deadline had already passed to object to Magistrate Judge Payne’s order regarding Touchstream’s Motion in *limine* No. 3” (Dkt. 341 at 2), that is simply not true. Charter informed Touchstream that it was not presenting prior art based invalidity on January 6, 2025 (Ex. 2 (Charter’s Disclosure of Final Invalidity Theories)), while Magistrate Judge Payne’s written order on Touchstream’s MIL No. 3 was not filed until January 21, 2025 (Dkt. 275).

Touchstream’s Motion should be denied on this ground alone.

B. The Prior Art Exhibits Are Relevant And Admissible To Issues Other Than Invalidity

It is black-letter law in this district that unelected prior art references are relevant and admissible for issues other than invalidity.¹ Indeed, *Georgia-Pacific* Factor 9 is “[t]he utility and advantages of the patent property over the old modes or devices, if any, that had been used for working out similar results.” *Georgia-Pacific v. U.S. Plywood Corp.*, 318 F. Supp. 1116, 1120 (S.D.N.Y. 1970).

One such example of using unelected prior art for damages purposes is §XVI of Dr. Shamos’ Rebuttal Report, titled “Minimal Technical Value of the Asserted Claims.” Ex. 3 (Shamos Rebuttal Report), §XVI. In this section, Dr. Shamos begins by quoting Touchstream’s expert’s explanation of the value proposition of the asserted patents, and thereafter explains why he “disagree[s].” *Id.*, ¶283. To this end, Dr. Shamos walks through the specific benefits that Dr. Wicker opined on, and explains how, as one example, “[t]his problem was not solved by Mr. Strober at least because it was already solved in the prior art, including in the purportedly

¹ See, e.g., *Ziilabs Inc. v. Samsung Elecs. Co.*, No. 2:14-CV-203-JRG-RSP, 2015 WL 7303352, at *2 (E.D. Tex. Aug. 25, 2015) (denying motion to strike prior art references from an expert report and allowing Defendants to rely on undisclosed references in the “context of: (1) background material relevant to the technology at issue; (2) state of the art; and (3) establishing what one of skill in the art would have known at the time of the invention.”); *CXT Sys., Inc. v. Acad., Ltd.*, No. 2:18-CV-00171-RWS-RSP, 2020 WL 13996112, at *2 (E.D. Tex. Jan. 22, 2020) (“With respect to argument regarding the ‘HTTP Protocol,’ the Court will not strike any portion of the JCP’s expert report, but JCP is limited to using the ‘HTTP Protocol’ as a state of the art reference at trial.”); *Papst Licensing GmbH & Co. v. Samsung Elecs. Co.*, No. 6:18-CV-00388-RWS, 2018 WL 10126729, at *1 (E.D. Tex. Oct. 25, 2018) (permitting “unelected prior art” to provide “background information relevant to the [asserted] patent, the state of the art, or establishing what one skilled in the art would have known at the time of the invention”); *Allergan, Inc. v. Teva Pharms. USA, Inc.*, No. 2:15-CV-1455-WCB, 2017 WL 11807449, at *4 (E.D. Tex. Aug. 3, 2017) (“[C]ourts in the Eastern District have permitted defendants to rely on references that were not included in their invalidity contentions when the references were not proposed as invalidating prior art, but were directed to other purposes, such as showing the state of the art at the time of the invention or rebutting the patentee’s secondary consideration evidence.”).



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