

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

AMERANTH, INC.,

Plaintiff,

v.

MENUSOFT SYSTEMS CORPORATION
and CASH REGISTER SALES & SERVICE
OF HOUSTON, INC.
(dba CRS TEXAS),

Defendants.

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Civil Action No. 2:07-CV-271-TJW-CE

**DEFENDANTS' RESPONSE TO AMERANTH'S MOTION FOR JUDGMENT
AS A MATTER OF LAW OF NONOBVIOUSNESS (DKT. 281)**

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I. INTRODUCTION

Ameranth asks the Court to impermissibly reweigh and reduce the evidence of record to merely Dr. Acampora's testimony on the prior art and disregard (1) Dr. Shamos' testimony, (2) Dr. Acampora's invalidity report, (3) Ameranth's prior art admissions in its interrogatory answers, (4) Keith McNally's admissions regarding the prior art, (5) Ameranth's former director of marketing Kathie Sanders's admissions regarding the prior art, (6) the PTO's rejections of the claims in Ameranth's continuation application based on the same prior art considered by the jury, (7) the PTO's rejection of McNally's declaration on alleged secondary considerations in examining the continuation application, and (8) the PTO's rejection of Ameranth's teaching away arguments on Micros and Kanevsky in the continuation application.

Based on the evidence of record – and not merely what Ameranth asks the Court to consider – the jury had more than sufficient evidence to reach a supportable verdict of obviousness. Rather than stick to the trial record, Ameranth wants the Court (1) to rely on evidence outside the record, (2) to usurp the jury's role by arguing Dr. Acampora was not forthright about his familiarity with TransPad, the content of his expert report, his understanding of Micros 8700, and his consideration of Ameranth's asserted secondary considerations, and (3) find the asserted claims valid based on limitations not found in the asserted claims and based on arguments that even the PTO has rejected. The trial record supports the jury finding that the asserted claims are invalid based on multiple independent combinations, and Ameranth's motion should be denied.

II. FACTUAL BACKGROUND

The jury heard about prior art from start to finish, and Dr. Acampora's report, which contained detailed claim charts on the prior art, even went back to the jury room. Ex. 9, 9/13/10 PM Tr. 115:22-116:9; 9/14/10 AM Tr. 11:17-22; Ex. 10, 9/13/10 PM Tr. 16:4-15; 19:8-22:3.

In Plaintiff's case, the jury heard from Ms. Sanders about the Micros 8700 and pre-critical date offers of sale and publications of the Ameranth's 21st Century Restaurant System and its TransPad device, including its wireless ordering and Internet functionality. Ex. 10, 9/13/10 PM Tr. 16-22; 23-26. The jury also heard McNally begrudgingly admit that the PTO had three times rejected Ameranth's continuation claims based on the Micros prior art. Ex. 9, 9/14/10 AM Tr. 11:17-22. And, the jury even heard Dr. Shamos admit that (1) Dr. Acampora had in fact shown that the prior art Digital Dining 7.0 taught the preamble and limitations (a)-(f) of the asserted claims, (2) Microsoft Terminal Services satisfies both requirements of element (g) and provides the capability to transmit to a web page and a handheld device, and (3) Microsoft Terminal Services came long before the patents-in-suit. Ex. 6, 9/14/10 PM Tr. 81:9 – 82:11, 9/15/10 AM Tr. 21:22 – 24:1, 9/17/10 AM Tr. 41:19 – 43:9.

In Defendants' case, the jury heard Dr. Acampora testify "how" components of the prior art embodied the disputed elements of the asserted claims. His testimony and report together identify various reasons "why" a person of ordinary skill in the art ("POSA") would be motivated to combine the prior art to achieve the alleged invention. Ex. 2, PTX 28 at 31-61; Ex. 1, 9/16/10 PM Tr. 35; 50. Dr. Acampora also explained that he considered but found unpersuasive Ameranth's secondary considerations. Ex. 1, 9/16/10 PM Tr. 76:15-20.

In rebuttal, Dr. Shamos disagreed with some of Dr. Acampora's opinions. More significantly, Dr. Shamos again admitted that the Micros 3700 and Digital Dining 7.0 disclosed disputed claim limitations. Ex. 6, 9/17/10 AM Tr. 22-26. The jury also heard Dr. Shamos concede that he did not review the PTO's rejection of the secondary considerations – the very same evidence that Ameranth relied upon at trial. *See* Ex. 6, 9/17/10 AM Tr. 34:13-36:6. Thus, in addition to expert and lay testimony, the jury learned that the PTO rejected Ameranth's

arguments regarding lack of motivation to combine, teaching away, and secondary criteria.

At the close of evidence, the court instructed the jury that Defendants contend the asserted patent claims are “obvious over certain combinations of prior art references as discussed in the evidence.” Ex. 11, 9/17/10 Tr. 117. In response to a jury note, the Court reread its instruction on the standard for obviousness. Ex. 12, Jury Notes & Verdict Tr. 8:24–10:7. Subsequently, the jury found Ameranth’s evidence of nonobviousness was insufficient and returned a general verdict that the asserted claims were invalid for obviousness. Dkt. 263.

III. LEGAL STANDARDS

Except for the standards governing motions for judgments as a matter of law (“JMOL”), the underlying patent law standards applicable to Ameranth’s motion are described below. The JMOL standards are detailed in Defendants’ Response to Ameranth’s Motion for JMOL of No Invalidity Based on Expert Testimony Inconsistent with the Court’s Claim Construction, contemporaneously filed and incorporated by reference.

A patent is invalid for obviousness “if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.” 35 U.S.C. § 103(a).¹ “[T]he reason, suggestion, or motivation to combine [two or more references] may be found explicitly or implicitly: 1) in the prior art references themselves; 2) in the knowledge of those of ordinary skill in the art that certain references, or disclosures in those references, are of special interest or importance in the field; or 3) from the nature of the problem to be solved.” *Wyers v. Master Lock Co.*, No. 2009-1412,

¹ “Obviousness is a question of law based on underlying findings of fact.” *In re Kubin*, 561 F.3d 1351, 1355 (Fed. Cir. 2009). The underlying factual inquiries are: (1) the scope and content of the prior art, (2) the differences between the prior art and the claims at issue, (3) the level of ordinary skill in the pertinent art, and (4) secondary considerations of nonobviousness. *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406, 127 S. Ct. 1727, 167 L. Ed. 2d 705 (2007).

2010 U.S. App. LEXIS 15271, *15 (Fed. Cir. July 22, 2010).

“[T]here must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.” *Innogenetics, N.V. v. Abbott Labs.*, 512 F.3d 1363, 1373 (Fed. Cir. 2008). “The legal determination of obviousness may include recourse to logic, judgment, and common sense, in lieu of expert testimony.” *Wyers*, 2010 U.S. App. LEXIS 15271, at *19. Thus, expert testimony is “not the only source for evidence that it would be obvious for one skilled in the art to combine references.” *Innogenetics*, 512 F.3d at 1374.

To rebut a *prima facie* case of obviousness, a patentee is required to establish a nexus between secondary evidence of non-obviousness and the merits of the claimed inventions.² *Ormco Corp. v. Align Tech., Inc.*, 463 F.3d 1299, 1311-12 (Fed. Cir. 2006). Nevertheless, as the Federal Circuit has “often held, evidence of secondary considerations does not always overcome a strong *prima facie* showing of obviousness.” *Asyst Techs., Inc. v. Emtrak, Inc.*, 544 F.3d 1310, 1316 (Fed. Cir. 2008) (affirming judgment as a matter of law of obviousness).

IV. ARGUMENTS

The record contains substantial evidence of obviousness with respect to the combinations addressed in Dr. Acampora’s report. *See* Ex. 2, PTX 28 at 3-5, 32-63, Ex. 1, 3, 8-11. Among others, these combination include:

- (1) Digital Dining 7.0 and the knowledge of a POSA;
- (2) Camaisa (U.S. Pat. 5,845,263, DTX 498) and Micros 3700 (DTX 48);
- (3) Micros 8700 (DTX 98) and Kanevsky (U.S. Pat. 6,300,947, DTX 181);
- (4) TransPad and Micros 3700; and
- (5) Squirrel and Micros 3700.³

² Affirmative evidence of a nexus is required. *See Iron Grip Barbell Co., Inc. v. USA Sports, Inc.*, 392 F.3d 1317, 1324 (Fed. Cir. 2004).

³ Even though Dr. Acampora’s report is in the record and supports the jury’s verdict, Ameranth ignores the report’s detailed discussion of these and additional combinations.

To the extent that Ameranth belatedly argues that its admission of and the jury's request for and reliance on the Acampora Report was improper, these arguments are meritless.⁴ See Defendants' Opposition to Ameranth's Rule 59 Motion for a New Trial (contemporaneously filed). Once the parties stipulated to the Report's admission and Ameranth failed to request any restrictions, the Report had the same value as any other exhibit entered into evidence. *United States v. Gresham*, 585 F.2d 103, 106 (5th Cir. 1978) ("hearsay evidence that is admitted without objection 'is to be considered and given its natural probative effect as if it were in law admissible'") (citations omitted). Thus, in addition to Dr. Acampora's and Dr. Shamos' testimony, the Report also properly supports the jury's verdict. See *Travelers v. Young*, 542 F.3d 475, 484 n.4 (5th Cir. 2008) (relying on expert report where expert did not even testify at trial). See also *Rose Acre Farms v. United States*, 559 F.3d 1260, 1271 (Fed. Cir. 2009) (relying at least in part on expert report admitted into evidence).

A. There is Substantial Evidence of Obviousness In View of Digital Dining 7.0.

Dr. Shamos provides a sufficient evidentiary basis for the jury to determine that the asserted claims are both anticipated by and obvious in view of Digital Dining 7.0. The jury could reasonably have relied on Dr. Shamos' testimony that (1) Digital Dining 7.0 disclosed the preamble and elements (a), (b), (c), (d), (e) and (f) of the asserted claims, (2) Microsoft Terminal Services provides the capabilities of element (g) and existed long before the patents-in-suit, and

⁴ Ameranth argues Dr. Acampora's report containing "approximately 500 pages of single-spaced charts" is conclusory. However, courts, including the Federal Circuit, have found that invalidity charts listing the claim elements and citing to specific pages in prior art references are proper and not conclusory. See *Med. Instrumentation & Diagnostics Corp. v. Elekta AB*, 344 F.3d 1205, 1220-21 (Fed. Cir. 2003) (reversing summary judgment of non-invalidity because the expert report "quoted the particular portions of the references that were relevant for each of the claim limitations" rather than simply making a "conclusory statement...that the claims were invalid"); *CA Inc. v. Simple.com, Inc.*, No. 02-CV-2748, 2009 U.S. Dist. LEXIS 25242, *25-27 (E.D.N.Y. Mar. 5, 2009) (finding expert report raised material issue of fact on validity because it "cited to specific pages, sections, and portions of prior art references and linked them to the asserted claim elements").

(3) Digital Dining's ability to operate on any version of the Windows operating system. *See* Defs.' Resp. to Pl.'s JMOL Motion of No Anticipation at 3-9, Ex. 2, PTX 29, Ex. 8 at 1-5. In other words, contrary to its arguments, Ameranth's own expert unequivocally offered testimony that the prior art met the "both" requirement of the claims as construed by the Court. *See* Motion at 13 (arguing no combination taught the "both" requirement).

Because "[a]nticipation is the epitome of obviousness," Digital Dining 7.0 also renders the asserted claims invalid for obviousness. *See TorPharm, Inc. v. Ranbaxy Pharms., Inc.*, 336 F.3d 1322, 1326 (Fed. Cir. 2003) (*quoting Connell v. Sears, Roebuck, & Co.*, 722 F.2d 1542, 1548 (Fed. Cir. 1983)). Moreover, to the extent that Ameranth belatedly contends that Digital Dining 7.0 does not disclose any claim element, Dr. Acampora's report provides evidence of combinations with Digital Dining 7.0 that renders the asserted claims obvious. *See Ex. 2*, PTX 28 at 4, 32-33, 54-62; PTX 29, Ex. 8 at 1-5. These combinations include Digital Dining 7.0 with the knowledge of a POSA and Digital Dining 7.0 with Micros 3700. In addition to Dr. Acampora's views, the jury heard about the PTO's determinations that (1) it would be obvious to a POSA to combine restaurant management systems with handhelds and/or web based functionality and (2) Ameranth's secondary criteria arguments failed. *See Ex. 6*, 9/17/10 AM Tr. 34:13-36:3; Ex. 4, DTX 7 at 831-871. Indeed, the jury heard that a panel of three examiners agreed on these points. Ex. 9, 9/14/10 AM Tr. 11:17-22.

B. There is Substantial Evidence of Obviousness In View of Camaisa.

Dr. Acampora testified and prepared a detailed report demonstrating how Camaisa anticipates the asserted claims. Because "[a]nticipation is the epitome of obviousness," Camaisa also renders the asserted claims invalid for obviousness. *TorPharm, Inc.*, 336 F.3d at 1326. Moreover, to the extent that Ameranth belatedly contends that Camaisa does not disclose any claim element, Dr. Acampora's report provides evidence of combinations with Camaisa that

renders the asserted claims obvious. *See* Ex. 2, PTX 28 at 3-4, 32-33, 52-62, PTX 28 Ex. 2 at 1-22. 24 – 25, 70-81, 83. These combinations include Camaisa and the knowledge of a POSA, Micros 8700, Micros 3700, TransPad, and Kanevsky.

By way of example, on cross Dr. Shamos admitted that Micros 3700 disclosed the claimed preamble. Ex. 6, 9/17/10 AM Tr. 40:17-41:12. The PTO reached a similar conclusion in rejecting the claims in Ameranth's continuation application as obvious based on Micros 3700. *See, e.g.,* Ex. 5, PTX 7 at 348 ("Mircos [sic] teaches: An information management and synchronous communication system for generating and transmitting hospitality menus ..."). The PTO's reason for combining Micros 3700 with other prior art was to improve customer service by "adding portability as well as accessibility." *Id.* at 350. The jury was free to rely on that same reason for combining Micros 3700 and Camaisa.⁵

C. There is Substantial Evidence of Obviousness in view of Micros 8700 and Kanevsky.

This evidence regarding the combination of Micros 8700 and Kanevsky consists of, at least, the following:

(1) The January 1997 Hospitality Tech. magazine article on Micros 8700 and Sanders and McNally testimony on the same establishing Micros 8700 was on sale and in public use before the critical date. Ex. 7, PTX 489b; Ex. 10, 9/13/10 PM Tr. 23-26, 28; Ex. 9, 9/14/10 AM Tr. 7-11.

(2) Ameranth's admissions interrogatory answers. Ex. 1, 9/16/10 PM Tr. 39-40.

(3) Dr. Acampora's testimony explaining how Micros 8700 in combination with Kanevsky renders all the asserted claims obvious. Ex. 1, 9/16/10 PM Tr. 36-37, 39-46, 77-78.

(3) The PTO's rejections of the claims in Ameranth's continuation application based on Micros 8700 in combination with Kanevsky. Ex. 4, DTX 7 at 831-871.

⁵ Ameranth fails to consider the "modifications that one skilled in the art would make to a device borrowed from the prior art." *See In re Icon Health & Fitness*, 496 F.3d 1374, 1382 (Fed. Cir. 2007).

(4) The PTO's rejection of Ameranth's teaching away arguments on Micros and Kanevsky in the continuation application. *Id.* at 544, 562-64, 569, 571, 573, 580, 603, 868, 898, 911-12, 923.

(5) The PTO's rejection of Ameranth's secondary criteria arguments. Ex. 15 at 541, 892, 894.

1. *Micros 8700 Was On Sale and In Public Use Prior to the Critical Date.*

Based on Sanders and McNally's testimony, the jury could reasonably conclude that the Micros 8700 was on sale and in public use before the critical date, September 19, 1998. Ex. 10, 9/13/10 PM Tr. 23:25-24:15; 25:11-26:11; 28:2-11; Ex. 9, 9/14/10 AM Tr. 7:5-8:3; 8:10-11:1. Sanders acknowledged that Ameranth received a January 1997 Hospitality Technology magazine discussing the availability and use of the Micros 8700. Ex. 10, 9/13/10 PM Tr. 23:25-24:15; Ex. 7, PTX 489b. Likewise, McNally did not dispute that the magazine came from Ameranth's files. Ex. 9, 9/14/10 AM Tr. 7:5-8:3. Sanders, who was responsible for studying Ameranth's competition, did not take issue with the article's statement "some 3000" handheld devices were at 300 sites. Ex. 10, 9/13/10 PM Tr. 25:11-26:11; 28:2-21. Because of the contemporaneous copyright dates, the jury could properly conclude that the Micros manuals accurately described what was publicly used, sold and offered for sale in 1997.⁶

2. *Dr. Acampora's Testimony Shows How the Components of Micros 8700 and Kanevsky Embody the Asserted Claims.*

Dr. Acampora explained that Micros 8700 combined with Kanevsky render the asserted claims obvious. Ex. 1, 9/16/10 PM Tr. 44:5-46:8. Because of Ameranth's admissions in its interrogatory answer, he properly focused on the disputed claim elements for Micros 8700, namely the preamble, element (g) and the wherein clause. Ex. 3, Pl.'s Suppl. Resps. to Defs.' Interrog. Nos. 3-15 at 26-29; Ex. 1, 9/16/10 PM Tr. 39:2-40:1.

⁶ In relying upon the deposition of Tow, Ameranth goes outside the trial record. See Dkt. 28 at 7 n.27.

Referencing the Micros 8700 manual's figures, Dr. Acampora described Micros 8700 as a networked system allowing a computer (LCC) to communicate with base stations and wireless handheld devices. Ex. 1, 9/16/10 PM Tr. 40:2-21. Dr. Acampora further identified a limited item availability feature⁷ as the component in Micros 8700 embodying the claimed preamble limitation, and he identified a condiment feature in Micros 8700 as embodying the claimed wherein clause limitation. Ex. 1, 9/16/10 PM Tr. 41:5-42:3; 42:7-19. For element (g), Dr. Acampora identified a wireless handheld communication feature in Micros 8700 and a website access feature in Kanevsky as together embodying the claimed limitation. Ex. 1, 9/16/10 PM Tr. 40:2-25; 43:14-44:21; *see* Ex. 4, PTX 7 at 480-81.

Having covered all of the disputed elements of asserted claim 1 of the '850 patent, Dr. Acampora proceeded to describe the components in Micros 8700 embodying the elements of the remaining asserted claims. Ex. 1, 9/16/10 PM Tr. 43:4-16; 46:1-4 (seat association limitation); 9/16/10 PM Tr. 42:23-43:3 (recipe information limitation); 9/16/10 PM Tr. 45:3-7 (wireless transmission limitation); 9/16/10 PM Tr. 45:8-10 (predetermined ordering limitation); 9/16/10 PM Tr. 45:11-14 (parameter assignment limitation). *See also* Ex. 2, PTX 28, Ex. 3 at 1 – 31, 37 – 40, 64, 81 – 110, 112 – 113; Ex. 4, PTX 7 at 484, 489, 499.

Dr. Acampora testified that Kanevsky allowed client machine to access a website. Ex. 1, 9/16/10 PM Tr. 43:20-44:21. He explained that though Kanevsky did not expressly disclose such, it could in fact transmit a menu to a central server. Ex. 1, 9/16/10 PM Tr. 77:23-78:1. Similarly, Dr. Shamos admitted that Kanevsky is directed to making data available on other devices. Ex. 6, 9/17/10 AM Tr. 16:11-25.

⁷ This is the same limited item availability feature that the PTO relied upon in rejecting the claims in Ameranth's continuation application as obvious based on Micros 8700 in combination with Kanevsky. Ex. 4, DTX 7 at 856.

3. *The PTO's Rejections in View of the Micros 8700 and Kanevsky Are a Legally Sufficient Evidentiary Basis to Support the Jury's Verdict.*

The jury learned that the PTO had three times rejected the claims in Ameranth's continuation based on the same prior art it was considering. Ex. 9, 9/14/10 AM Tr. 11:17-22. One of the PTO's rejections was based on a combination of Micros 8700 and Kanevsky. Ex. 4, DTX 7 at 831-871.⁸ The PTO was obligated to identify a motivation for the combination. Ex. 13, M.P.E.P. § 2143.01. Because the jury was entitled to credit the PTO's rejection over Dr. Shamos' testimony, the PTO's combination is a legally sufficient evidentiary basis to support the jury's verdict of obviousness.

Ameranth argues that Micros 8700 and Kanevsky teach away from the alleged invention.⁹ See Dkt. 281 at 9-11. But the PTO heard the same arguments from Ameranth and rejected them. Ex. 4, DTX 7 at 544, 562-64, 569, 571, 573, 580, 603, 868, 898, 911-12, 923.¹⁰ Therefore, the PTO necessarily concluded that the combination did not render the references unsatisfactory for their intended purposes. Ex. 4, DTX 7 at 831-871; see Ex. 13, M.P.E.P. § 2143.01. Indeed, the jury heard that the PTO received, considered, and rejected Ameranth's arguments on secondary criteria and instructions to combine.

⁸ "In addition it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the teachings of Micros '97 as Micros teaches the use of Handheld terminals (see e.g. Micro '97 1-15) and Kavensky preferably provides a semantic interpreter module that automatically decides how to fold or expand the content...depending on a size of a screen. (Kavensky Col. 2, Ln 45-47.)" Ex. 4, DTX 7 at 843; see also *id.* at 483, 395, 498, 507, 510, 845.

⁹ Ameranth also attempts to add to the claim language: (1) "web page" generation. See Dkt. 281 at 9 n.33 ("Combining Micros and Kanevsky to enable "Web page" generation would require a change of the fundamental purpose of both references and is an improper combination."); and (2) "client menu including all back office information". See Dkt. 281 at n.34 ("The claimed system provides a client menu including all back office information").

¹⁰ "On Pages 19-21, applicant argues that Micros '97 'teaches away' from the present invention. Examiner respectfully disagrees. 'the prior art's mere disclosure of more than one alternative does not constitute a teaching away from any of these alternative because such disclosure does not criticize, discredit, or otherwise discourage the solution claimed...' *In re Fulton*, 391 F.3d 1195, 1201, 73 USPQ2d 1141, 1146 (Fed. Cir. 2004)." Ex. 4, DTX 7 at 868.

Despite what Dr. Shamos said, the jury could properly conclude, as the PTO did, that the combination of Micros 8700 and Kanevsky was well supported and secondary evidence failed to support a finding of nonobviousness. While Dr. Shamos may have disagreed with Dr. Acampora and the PTO, the jury was entitled to disregard Dr. Shamos' opinions on this issue.¹¹

D. There is Substantial Evidence on TransPad to Sustain the Jury's Finding of Obviousness.

With respect to TransPad, the record includes substantial evidence sufficient to support the combination of TransPad and Kanevsky and the combination of TransPad and Micros 3700.

1. *TransPad in Combination with Kanevsky*

The jury heard testimony that prior to the critical date Ameranth marketed TransPad as part of its 21st Century Restaurant System ("21CR System"). Ex. 10, 9/13/10 PM Tr. 19:8-22:3. Sanders conceded that the system included a wireless handheld TransPad seamlessly integrated with a point-of-sale back office database and connected to the Internet. Ex. 10, 9/13/10 PM Tr. 16:4-15; 19:8-22:3; Ex. 8, DTX 66. Sanders also admitted that Ameranth was trying to persuade McDonald's to run a POS application on a TransPad integrated wirelessly to the back office.¹² Ex. 10, 9/13/10 PM Tr. 22:6-23:4; Ex. 14, DTX 148.

Ameranth's brochure illustrated the 21CR System, where TransPad served as the wireless device that communicated with a central database to integrate all "all aspects of a restaurant system." Ex. 8, DTX 66 at 2, 4. This brochure touted that "[f]or the first time, all aspects of a restaurant system can be seamlessly, affordably, and easily integrated. . . . Together, all restaurant operations are linked: reservations, wait lists, frequent dining programs, paging, valet

¹¹ See *Streber v. Hunter*, 221 F.3d 701, 726 (5th Cir. 2000) ("[I]n cases of conflicting expert testimony, the jury is entitled to make credibility determinations and believe the witness it considers more trustworthy.").

¹² In citing and relying upon the deposition of Knighton, Ameranth again reaches outside the trial record. See Dkt. 281 at 11 n.40, 12.

parking, POS, and table management.” *See id.* at 2 (emphasis added); Ex. 16, DTX 445 at 9. In other words, Ameranth touted the TransPad as providing what McNally represented to the PTO as not previously existing. *See* Dkt. 279 at 3-8, 12, 15-17.

McNally testified that Ameranth replaced TransPad with UltraPad. Ex. 9, 9/13/10 PM Tr. 54:24-55:5. This replacement only confirms there is little, if anything, distinguishing the alleged invention from Ameranth’s original 21CR System offered for sale prior to the critical date. Indeed, Ameranth created additional marketing materials, such as the pre-critical date brochures that demonstrated the TransPad could be substituted with Ameranth’s “UltraPad” handheld device, which Ameranth now claims to be covered by the asserted claims. *See* Ex. 16, DTX 445, 21st CRS Brochure at 11.

Dr. Acampora and Dr. Shamos disagreed about certain aspects of TransPad. Dr. Acampora described TransPad as a handheld device for wirelessly communicating with a base station (or back office terminal) linked to the Internet. Ex. 1, 9/16/10 PM Tr. 38:9-20.¹³ Dr. Acampora’s report details “how” Ameranth’s system including TransPad embodied the elements of the asserted claims and “why” a POSA would be motivated to combine TransPad with other art to achieve the alleged invention. Ex. 2, PTX 28, at 31-61, Ex. 9 at 1 – 24, 40, 60 – 81, 83 – 84. In contrast, Dr. Shamos merely said that TransPad lacks the preamble, element (g), and second menu claim limitations.¹⁴ Ex. 6, 9/17/10 PM Tr. 15:18-16:10.¹⁵ The jury reasonably

¹³ In questioning Dr. Acampora’s credibility concerning TransPad (*see* Dkt. 281 at 12 n.42), Ameranth invites the Court to usurp the jury’s role of determining credibility. *See Newell*, 864 F.2d at 787-88.

¹⁴ Ameranth wrongly assumes that invalidating art must address the “identical problem.” “In determining whether the subject matter of a patent claim is obvious, neither the particular motivation nor the avowed purpose of the patentee controls.” *KSR*, 550 U.S. at 419-20. “One of ordinary skill in the art need not see the identical problem addressed in a prior art reference to be motivated to apply its teachings.” *Cross Med. Prods., Inc. v. Medtronic Sofamor Danek, Inc.*, 424 F.3d 1293, 1323 (Fed. Cir. 2005).

¹⁵ Though Dr. Shamos did not go there, Ameranth now argues that each prior art reference identified by Dr. Acampora, including TransPad, which was part of Ameranth’s 21CR System, teaches away from the

choose to believe Dr. Acampora.

The TransPad is a handheld ordering device. Kanevsky, which is directed to accessing data through a website, provides webpage functionality. To the extent TransPad alone did not include the same, in light of Kanevsky, a POSA would be motivated to transmit a menu to a web page in addition to the option of transmitting a menu to the TransPad. Ex. 2, PTX 28, Ex. 9 at 13-18. A reasonable jury could, and did, conclude that Dr. Acampora's reliance on Kanevsky, just like the PTO's, is credible. Ex. 4, DTX 7 at 831-871.

2. *TransPad in Combination with Micros 3700*

Like Kanevsky, Micros 3700 is prior art that a POSA would combine with TransPad. And like Kanevsky, Micros 3700 is prior art that the PTO relied upon in rejecting the claims in Ameranth's continuation application as obvious. Ex. 5, DTX 7 at 345-49, 360-61. As Dr. Acampora's report shows, Micros 3700 and TransPad support menu transmission via both a wireless handheld device and Internet connectivity. Ex. 2, PTX 28, Ex. 11 at 36-45. Indeed, Ameranth's marketing of the ability of TransPad to host RMS systems such as Micros 3700 is further evidence of a motivation to combine. *See* Dkt. 279 at 3-8, 12, 15-17.

E. There is Substantial Evidence in the Squirrel Reference to Sustain the Jury's Finding of Obviousness.

Dr. Acampora concluded that the asserted claims were obvious in light of Squirrel. Ex. 1, 9/16/10 PM Tr. 36:2-10. His report included a claim chart specific to Squirrel. Ex. 2, PTX 28, Ex. 1 at 1 – 23, 25 – 27, 50, 66 - 86. In contrast, Dr. Shamos merely stated that Squirrel lacks at least the preamble and element (g) claim limitations. Ex. 6, 9/17/10 AM Tr. 5:20-7:23. For all of the reasons discussed above with respect to TransPad, it would be just as obvious to

alleged invention. *See* Dkt. 281 at 13.

combine Kanevsky or Micros 3700 with Squirrel.¹⁶

F. There is Substantial Evidence to Support the Jury's Rejection of Ameranth's Alleged Secondary Considerations.

Dr. Acampora testified that he considered Ameranth's secondary considerations but did not find anything suggesting it would not be obvious to make the prior art combinations.¹⁷ Ex. 1, 9/16/10 PM Tr. 52:17-53:1; 76:15-20. Similarly, with respect to Ameranth's continuation application, the PTO was asked more than once to consider McNally's declaration describing Ameranth's secondary considerations. Ex. 15, DTX 7 at 544, 557, 560, 600-603, 788-89, 793, 877, 880-881, 898, 912, 923-24, 928. Each time, the PTO was not persuaded. *Id.* at 541, 892, 894. In light of this evidence, the jury's rejection of Ameranth's alleged secondary considerations is supported by the record.¹⁸

The jury was free to reject Dr. Shamos' view of Ameranth's alleged secondary considerations, especially in light of the inconsistencies and gaps in his testimony. Though Dr. Shamos said others in the industry failed to solve the problem tackled by McNally, McNally told the jury, and Ameranth told the Court, that the problem was unknown in the industry. Ex. 9, 9/14/10 AM Tr. 76:6-13; Ex. 6, 9/17/10 AM Tr. 22:19-23:12; Dkt. 281 at 13. Though Dr. Shamos relied on sales of Ameranth's 21CR System as evidence of commercial success of the alleged invention, he did not even look at Ameranth's "patented" product. Ex. 6, 9/17/10 AM Tr. 20:11-25; 31:2-4; 26:9-18. *See Richdel, Inc. v. Sunspool Corp.*, 714 F.2d 1573, 1580 (Fed. Cir. 1983) (agreeing patentee failed to show its system embodied the claimed invention or

¹⁶ Again, Ameranth relies on information outside the record – a Food.com article. *See* Dkt. 281 at 6 n.24.

¹⁷ The case law cited by Ameranth (*see* Dkt. 281 at 14 n.50) only indicates the Court must consider secondary considerations, not that a defense expert witness must do so in order to render an opinion on obviousness or any of the underlying facts.

¹⁸ Because Ameranth's Rule 50(a) motion only took issue with the content of Dr. Acampora's testimony, Ameranth waived the right to challenge the sufficiency of the record on the ground that Dr. Acampora failed to consider Ameranth's alleged secondary considerations in rendering his expert report.

enjoyed commercial success due to anything not readily available in the prior art). Similarly, Dr. Shamos did not take into account that Ameranth's 21CR System offered a database on the handheld device, which was not required by the asserted claims per the Court's Markman Order. Ex. 6, 9/17/10 AM Tr. 33:12-25; Dkt. 106, Mem. Op. and Order at 6-8. Indeed, the preferred embodiment requires a handheld database. Ex. 6, 9/17/10 AM Tr. 33:12-18.

Though Dr. Shamos relied upon the existence of Ameranth's licenses, the record reflects that Ameranth admits it made no determination as to whether the licensed products embodied the asserted claims. Ex. 3, Pl.'s Resps. to Defs.' Interrog. Nos. 3-15 at 9; Ex. 6, 9/17/10 AM Tr. 26:9-18. Another gap in Dr. Shamos' testimony was that, he relied on a central back office database, which is not a feature recited in the asserted claims, in concluding there was a long felt need for the alleged invention. Ex. 6, 9/17/10 AM Tr. 21:19-22:18.¹⁹ Similarly, Dr. Shamos relied upon a "perception" by a former Symbol Technologies employee John Harker that McNally as a "visionary" as suggesting that the alleged invention was not obvious. Ex. 6, 9/17/10 AM Tr. 24:17-26:8. The jury even learned that Dr. Shamos did not review the PTO's rejection of Ameranth's secondary evidence of non-obviousness. *See* Ex. 6, 9/17/10 AM Tr. 34:13-36:6. In sum, there was no evidence of a nexus between the alleged invention and Ameranth's evidence of secondary considerations.

V. CONCLUSION

Viewing the record as a whole in a light most favorable to Defendants, there is substantial evidence for a reasonable jury to find the asserted claims are obvious.

¹⁹ Another basis for the jury to reasonably conclude that the alleged invention did not satisfy a long felt need was the testimony about the integration and synchronization of wireless handheld devices and the back office achieved by Micros 8700 and TransPad. Ex. 10, 9/13/10 PM Tr. 16:4-15; 19:8-22:3; 23:25-28:21. Moreover, "[w]here the differences between the prior art and the claimed invention are as minimal as they are here, it cannot be said that any long-felt need was unsolved." *Geo M. Martin v. Alliance Mach. Sys. Int'l*, No. 2009-1132, 2010 U.S. App. LEXIS 17377, at *24 (Fed. Cir. Aug. 20, 2010).

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Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that this document was filed electronically pursuant to Local Rule CV-5(a) on November 10, 2010. Pursuant to Local Rule CV-5(a)(3)(A), this electronic filing acts to electronically serve all counsel who have consented to electronic service via the Court's CM/ECF system.

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