

**MORRIS, NICHOLS, ARSHT & TUNNELL LLP**

1201 NORTH MARKET STREET  
P.O. BOX 1347  
WILMINGTON, DELAWARE 19899-1347

(302) 658-9200  
(302) 658-3989 FAX

**MICHAEL J. FLYNN**  
(302) 351-9661  
(302) 498-6217 FAX  
mflynn@mna.com

April 23, 2015

The Honorable Leonard P. Stark  
United States District Court  
844 North King Street  
Wilmington, DE 19801

**VIA ELECTRONIC FILING**

Re: *Intellectual Ventures I LLC v. Trend Micro Incorporated, et al.*  
C.A. No. 12-1581 (LPS)

Dear Chief Judge Stark:

We write jointly on behalf of the parties pursuant to the Court's Order of April 22, 2015 (D.I. 216) to advise the Court of the parties' positions as to how this case should now proceed. The parties' positions are set forth below and the parties will appear for the teleconference at 2:30pm on April 23, 2015 per the Court's Order.

**Intellectual Ventures' Position:**

Intellectual Ventures proposes the following:

- (1) The upcoming May 2015 trial should be vacated;
- (2) The Court should rule on the parties' pending letter briefing regarding the addition of "frequency" to the Court's constructions for the "indicating" terms of independent claims 9, 16 and 22 of the '050 patent;
- (3) A final judgment should be entered in favor of Trend Micro Defendants; and
- (4) Fees and costs should be addressed after any appeal.

The Court should defer consideration of any motion under § 285 (or any other fee-shifting provisions) for two reasons. First and foremost, this is not an exceptional case under § 285 and *Octane Fitness*. The Court largely adopted Intellectual Ventures' claim construction positions and denied each of Trend Micro's summary judgment motions. Trend Micro did not seek leave to move under Section 101 until November 2014. Trend merely seeks to delay Intellectual Ventures' appeal and waste judicial resources. Second, as this Court found in *Roche Diagnostics Operations, Inc. v. Abbott Diabetes Care*, 2011 WL 810003, at \*1 (D. Del. Mar. 3, 2011), a court may defer ruling on a motion for fees until after appeal because an appeal "could result in the removal of the 'prevailing party' designation from Defendant, which would moot Defendant's exceptional case and attorneys' fees motion." *See also Walker Digital, LLC v. Expedia, Inc.*, 2013 WL 5662145, \*2 (D. Del. Oct. 16, 2013) (denying defendants' fees motion pending appeal). Intellectual Ventures' appeal could moot Trend's fees and costs motions. Accordingly, the Court should enter judgment such that Intellectual Ventures may expeditiously

The Honorable Leonard P. Stark

April 23, 2015

Page 2

pursue its appeal and defer consideration of any issues regarding costs and fees until after the Federal Circuit has addressed the merits of that appeal.

**Trend Micro's Position:**

Trend Micro does not oppose Intellectual Ventures' proposal with respect to items (1) - (3) as a general matter. With respect to fees and costs, however, Trend Micro believes that this is an exceptional case under 35 U.S.C. § 285, at least in view of Intellectual Ventures' substantively baseless, and untimely arguments regarding the Court's claim constructions that Intellectual Ventures itself proposed, including violations of Rule 26 regarding expert disclosures, and the inconsistent positions Intellectual Ventures took before the U.S. Patent and Trademark Office and this Court. *See* D.I. 168. IV's litigation tactics exposed the substantive baselessness of Intellectual Ventures' litigation positions at least with respect to the '050 patent. Trend Micro proposes to file an exceptional case motion pursuant to § 285 (or other applicable attorneys' fee-shifting provisions) prior to entry of final judgment, so that any appeal concerning attorneys' fees issues can be heard at the same time as an appeal regarding liability issues. Other courts have entertained the filing of such motions prior to the entry of final judgment. *Universal Elecs., Inc. v. Universal Remote Control, Inc.*, No. 8-12-cv-329, Dkt. No. 447 (C.D. Cal. Jan. 22, 2015) (motion for fees filed prior to entry of final judgment). Trend Micro would then file a bill of costs in the normal course after entry of a final judgment.

Respectfully,

*/s/ Michael Flynn*

Michael Flynn (#5333)

cc: Clerk of the Court  
All Counsel of Record  
All Counsel for Intellectual Ventures & Symantec Corporation (C.A. No. 10-1067)