

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

TiVo Inc., a Delaware corporation,
Plaintiff,

v.

1. Dish Network Corporation, a Nevada corporation; 2. EchoStar DBS Corporation, a Colorado corporation; 3. EchoStar Technologies Corporation., a Texas corporation; 4. Echosphere L.L.C., a Colorado limited liability company; 5. EchoStar Satellite L.L.C., a Colorado limited liability company; and 6. EchoStar Corporation, a Nevada corporation.

Defendants.

No. 2-04cv01 DF
(Judge Folsom)

**REPLY IN SUPPORT OF
EMERGENCY MOTION OF
DEFENDANTS TO COMPEL
PLAINTIFF TO COMPLY WITH
DISCLOSURE ORDER**

I. Introduction

This Court has set a compressed and expedited contempt motion schedule culminating in an evidentiary hearing on “colorable differences” and infringement two months from today. The Court’s schedule commenced with a mutual exchange of disclosures of legal and factual contentions on December 9, 2008, followed by TiVo’s disclosure of expert reports on December 24, 2008. EchoStar then must provide a responsive report just two weeks later on January 7, 2009, over the Christmas and New Year holidays. In the face of these deadlines, TiVo provided wholly deficient disclosures and now submits a superficial opposition brief minimizing the emergency it has caused. EchoStar has a due process right to present an adequate defense at trial. TiVo is materially prejudicing that right by delaying the disclosure of information ordered by the Court. EchoStar respectfully requests the Court to order TiVo to make complete disclosures immediately, including legal theories and facts, documents, and witnesses.

II. TiVo’s Opposition Brief Further Establishes the Need for Emergency Relief.

TiVo’s opposition brief fails on three principal grounds. First, contrary to its claims, TiVo’s disclosures provide neither “meaningful explanation,” nor “meaningful detail.” (Opp. Br. at 1, 3.) The Court ordered the parties to disclose “the legal theories and, in general, the factual bases of the disclosing party’s claims or defenses.” (December 5, 2008 Order [Docket No. 870] (“Order”) ¶ 1(a).) Instead, TiVo seized upon the words “in general” and misconstrued the phrase as a license to provide conclusory assertions revealing nothing.

TiVo’s own empty sentences prove the point:

- “Even if claims 31 and 61 were to include a limitation requiring frame indexing as proposed by EchoStar, the allegedly changed DP-50X products are the same as or insubstantially different from the claims, and at best no more than colorably different from the DP-50X products found to be infringing at trial.”
- “For example, manipulating data during playback as EchoStar alleges the Infringing Products now do is insubstantially different from the frame indexing in the patent, if this could in any way be a limitations of claims 31 and 61.”

- “This is the same or substantially the same function done in the same or substantially the same way to obtain the same result, and the two approaches are interchangeable in the context of claims 31 and 61, even as interpreted by EchoStar.”
- “Therefore, even under EchoStar’s interpretation, the allegedly changed version of DP-50X products still meet the ‘parses’ limitation literally and/or under the doctrine of equivalents.”

(Opp. Br. at 4.) TiVo’s other disclosures are comparable. (*Id.*) TiVo has not even begun to comply with the Court’s Order on disclosures, much less “exceeded” it. (*Id.* at 3.)

Second, TiVo protests that EchoStar filed its emergency motion while TiVo is “busy” reviewing documents and preparing its case. (Opp. Br. at 2.) But, TiVo’s argument only highlights the problem. TiVo has documents to review and legal theories and facts to analyze, because EchoStar disclosed its contentions; EchoStar is not currently able to work to analyze or respond to TiVo’s contentions, because TiVo has not done so. The circumstances are prejudicial and fundamentally unfair – exactly the result the Court sought to prevent with simultaneous, mutual disclosures. Moreover, TiVo’s claim that EchoStar’s motion will be mooted by next week misses the point. (Opp. Br. at 2.) A two week delay in obtaining TiVo’s disclosures – from December 9 until December 24, 2008 – is substantial and prejudicial given the expedited schedule, with EchoStar’s responsive expert report due in just three weeks and trial set to begin in just two months.

Third, TiVo devotes much of its opposition brief to hiding the ball, complaining that EchoStar’s emergency motion asks for too much, while its meet and confers sought too little. TiVo had an independent duty to comply with the Court’s Order on disclosures without regard to EchoStar. (*See* Order ¶¶ 1-2.) TiVo’s duty extends to legal theories and facts, documents, and witnesses. (*Id.*) TiVo also has an independent duty to supplement its disclosures now, not “next week.” (Opp. Br. at 2.)

Duty to Supplement. After disclosure is made pursuant to this order, each party is under a duty to supplement or correct its disclosures immediately if the party obtains information that a disclosure was incomplete or incorrect when made, or is no longer complete or true.”

(Order ¶ 5.) TiVo’s refusal to supplement promptly warrants immediate relief.

III. TiVo Must Establish the Threshold Question of Colorable Differences and the Question of Infringement by Clear and Convincing Evidence.

TiVo’s purported confusion about its burden of proof is easily resolved. (Opp. Br. at 6 n.1.) As the “movant,” TiVo “bears the heavy burden of proving violation by clear and convincing evidence.” *KSM Fastening Sys., Inc. v. H.A. Jones Co.*, 776 F.2d 1522, 1524 (Fed. Cir. 1985). TiVo’s clear and convincing burden extends to both the “colorable difference” and the infringement prongs. *See Abbott Labs. v. TorPharm, Inc.*, 503 F.3d 1372, 1380-81 (Fed. Cir. 2007).¹ Only two weeks ago, TiVo cited *Brine, Inc. v. STX, L.L.C.*, 367 F. Supp. 2d 61 (D. Mass. 2005),² a decision that makes clear that a contempt movant must prove “both prongs” – “no more than colorable differences” and infringement – by “clear and convincing evidence.” *Id.* at 67 (“If both prongs are proven by clear and convincing evidence, sanctions for contempt are appropriate.”).³

TiVo’s contention that the contempt burden of proof has shifted to EchoStar as an “undisputed” contemnor rehearses the same “plain language of the injunction” theory from TiVo’s June 2008 contempt motion – the motion that was legally flawed from start to finish because it ignored both colorable differences and whether EchoStar’s design-around products

¹ In *Abbott*, the Federal Circuit expressly recognized that the “clear and convincing evidence” burden on the patentee applied to the threshold “no more than a colorable difference” inquiry. *Id.* at 1380.

² *See* TiVo’s Opp. to Emer. Mot. of Defs. for a Stay, filed Dec. 4, 2008 [Docket No. 866] at 9 n.3.

³ Other district court decisions are in accord with the Federal Circuit opinion in *Abbott* and the *Brine* decision in requiring a patentee like TiVo to prove “no more than colorable differences” by “clear and convincing evidence” to justify summary contempt proceedings in which the infringement issue is assessed. *See Liquid Dynamics Corp. v. Vaughan Co.*, No. 01 C 6934, 2008 U.S. Dist. LEXIS 83976, at *14 (N.D. Ill. Oct. 20, 2008) (finding contempt proceedings inappropriate where “[t]here was a failure to establish by clear and convincing evidence that Vaughan’s accused mixing systems are a colorable imitation of the adjudicated systems subject to this court’s permanent injunction”); *TA Instruments, Inc. v. Perkin-Elmer Corp.*, No. 95-545-SLR, 2002 U.S. Dist. LEXIS 5953, at *2 (D. Del. Mar. 28, 2002) (“In the first part of the inquiry, the redesigned product (here, defendant’s StepScan Accessory) is compared to the already adjudicated product (here, defendant’s DDSC Accessory). The movant must show by clear and convincing evidence that the differences between the redesigned product and the adjudicated product are “merely colorable” for the infringement to be tested in contempt proceedings.”).

still infringe claims 31 and 61. Consistent with Federal Circuit law, the Court has held that it will resolve TiVo's contempt motion based on: "(1) whether the software downloaded to EchoStar's [accused receivers] is no more than colorably different from the adjudged software; and (2) whether these receivers continue to infringe claims 31 and 61 of U.S. Patent No. 6,233,389, either literally or under the doctrine of equivalents." (Order at 1.)

IV. EchoStar Met and Conferred with TiVo in Good Faith.

Rather than fully addressing the merits of EchoStar's motion, TiVo uses half of its response arguing that EchoStar did not appropriately comply with the Local Rules. (Opp. Br. at 5-8.) This argument is baseless. EchoStar met and conferred in good faith with TiVo on its emergency motion, engaging in multiple email and phone conversations attempting to explain why TiVo's disclosures were inadequate. TiVo, not EchoStar, suggested that TiVo might provide a claim chart, but then conditioned that offer on a demand that both parties exchange charts simultaneously. Yet, TiVo did not during the meet and confer process, and does not in its brief, take the position that EchoStar's disclosures are inadequate. Nor did TiVo explain why a mutual exchange of claim charts was required when it is TiVo's disclosures that were inadequate. Because TiVo continued to insist on a simultaneous exchange of claim charts, the meet and confer process reached an impasse.

EchoStar complied with Local Rule 7(h) or 7(i), contrary to TiVo's contention. EchoStar moved to compel TiVo's compliance with this Court's December 5, 2008 Order setting an expedited proceeding and directing the parties to make disclosures. The Local Rules require that lead counsel and local counsel confer only with respect to discovery disputes. Local Rule CV-7(h). With respect to other motions, such as the instant one seeking compliance with a Court order, Local Rule CV-7 requires that "an attorney for the movant and an attorney for the non-movant" meet and confer, which is exactly what happened here. EchoStar fully complied with its obligations under the Local Rules.

V. Conclusion

For the reasons set forth above and in its emergency motion, EchoStar respectfully requests that the Court grant the motion and order TiVo to make full and complete disclosures pursuant to the December 5 Order immediately rather than delaying for yet another week.

Respectfully submitted,

Dated: December 18, 2008

MORRISON & FOERSTER LLP

By: /s/ Rachel Krevans
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on December 18, 2008, all counsel of record who are deemed to have consented to electronic service are being served with a copy of the foregoing document via the Court's CM/ECF system per Local Rule CV-5(a)(3).

/s/ Rachel Krevans

Rachel Krevans