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Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

)	
In re:)	Chapter 11
EASTMAN KODAK COMPANY, <i>et al.</i> , ¹)	Case No. 12-10202 (ALG)
Debtors.)	(Jointly Administered)
)	
)	
EASTMAN KODAK COMPANY,)	
Plaintiff,)	
v.)	Adv. Proc. No. 12-01720 (ALG)
APPLE INC. AND)	
FLASHPOINT TECHNOLOGY, INC.,)	
Defendants.)	

**PLAINTIFF EASTMAN KODAK COMPANY'S RENEWAL OF ITS
MOTION FOR SUMMARY JUDGMENT**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Eastman Kodak Company (7150); Creo Manufacturing America LLC (4412); Eastman Kodak International Capital Company, Inc. (2341); Far East Development Ltd. (2300); FPC Inc. (9183); Kodak (Near East), Inc. (7936); Kodak Americas, Ltd. (6256); Kodak Aviation Leasing LLC (5224); Kodak Imaging Network, Inc. (4107); Kodak Philippines, Ltd. (7862); Kodak Portuguesa Limited (9171); Kodak Realty, Inc. (2045); Laser-Pacific Media Corporation (4617); NPEC Inc. (5677); Pakon, Inc. (3462); and Qualex Inc. (6019). The location of the Debtors' corporate headquarters is: 343 State Street, Rochester, NY 14650.



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Plaintiff Eastman Kodak Company (“Kodak”), on behalf of itself and its affiliated debtors and debtors in possession (collectively, the “Debtors”), renews its motion for summary judgment pursuant to Federal Rule of Civil Procedure 56, made applicable to this adversary proceeding by Federal Rule of Bankruptcy Procedure 7056 (“Bankruptcy Rules”), filed on June 29, 2012. [Adv. Pro. Dkt. 10.] In support of its renewed motion, Kodak states as follows:

BACKGROUND

On August 1, 2012, the Court issued a Memorandum of Opinion (the “Opinion”) granting Kodak’s motion for summary judgment in part. The Court granted summary judgment with respect to two of the Kodak patents claimed by Apple and five of the Kodak patents claimed by FlashPoint. (Opinion at 39.) The Court declined to grant summary judgment with respect to the other Kodak patents to which Apple and FlashPoint have asserted ownership claims “without prejudice to renewal on a more complete record.” (*Id.*) The order implementing the Opinion also contemplates Kodak renewing its motion for summary judgment. [Adv. Dkt. No. 53.] Kodak hereby does so.²

In the Opinion, the Court held in Kodak’s favor on virtually every issue, including, among others:

- Apple and FlashPoint’s inventorship and state law ownership claims to U.S. Patent Nos. 5,493,335 (the “335 patent”) and 6,292,218 (the “218 patent”) are time-barred. (Opinion at 26, 28.)
- FlashPoint’s inventorship and state law ownership claims to U.S. Patent Nos. 5,828,406 (the “406 patent”), 6,147,703 (the “703 patent”), and 6,441,854 (the “854 patent”) are time-barred. (*Id.* at 36, 39.)

² Kodak incorporates by reference as if fully set forth herein the complete record on its original summary judgment motion, including, among other things, the Declaration of Steven L. Holley (“Holley Decl.”) [Adv. Dkt. No. 12] and the Declaration of Timothy M. Lynch (“Lynch Decl.”) [Adv. Dkt. No. 11].

- The date a patent is issued or a patent application is published is relevant in determining whether a party was on actual or inquiry notice of claims relating to that patent. (*Id.* at 22-23.)
- The public nature of patent litigation and a patent owner’s licensing policies can put a party on inquiry notice of a patent, where reasonable inquiry would have uncovered the claims. (*Id.* at 23.)
- “[P]ervasive, open, and notorious” activities that would cause a reasonable person to suspect he had a claim gives rise to a duty to conduct a reasonable inspection. (*Id.* at 25, citing *Wanlass v. General Elec. Co.*, 148 F.3d 1334 (Fed. Cir. 1998) and *Wanlass v. Fedders Corp.*, 145 F.3d 1461 (Fed. Cir. 1998).)
- A lawyer’s knowledge is imputed to his or her client under agency principles. (Opinion at 27.)
- Having entered into agreements with Kodak, neither Apple nor FlashPoint was free to ignore the “open and notorious patent policy of its contractual counterparty without being on inquiry notice as to its rights.” (*Id.* at 28.)
- Apple’s argument that it had no reason to investigate any of Kodak’s patents until Kodak sued Apple for patent infringement in 2010 is incorrect and, if accepted, would render the principle of laches a nullity. (*Id.* at 29.)
- Kodak’s assertion of laches is not barred by an “unclean hands” argument based on any inequitable conduct by Kodak, including Kodak’s alleged breach of the December 1994 Agreement. (*Id.* at 29.)
- Kodak would suffer economic prejudice by being forced to litigate Apple’s and FlashPoint’s claims now because “Kodak’s ability to effect a critical sale of property of the estate while protecting other parties’ interests in that property would be cut off if Apple’s and FlashPoint’s unreasonably late claims are not barred.” (*Id.* at 31-32.)
- Kodak would suffer evidentiary prejudice by being forced to litigate Apple’s and FlashPoint’s claims almost two decades after the events at issue. (*Id.* at 32-33.)

Nonetheless, the Court concluded that summary judgment could not be granted with respect to claims by Apple, FlashPoint or both to eleven additional Kodak patents. The Court noted certain deficiencies in the undisputed facts relied on by Kodak that, in the Court’s view, raised a question as to whether Apple and FlashPoint were on actual or constructive notice at least four years ago (barring claims under statutes of limitations) or six years ago (creating a presumption of laches). The Court made three primary observations. First, the Court thought the

record did not demonstrate that Apple and FlashPoint “had any particular reason to take notice of the eight remaining patents based on the publicized accounts of Kodak’s strategy.” (Opinion at 30, 35.) Second, the Court thought that Kodak had not established that a reasonably cost-effective search would have led Apple or FlashPoint to discover the Remaining Claimed Kodak Patents based on awareness that Kodak was licensing and litigating its digital camera patents.³ (*Id.* at 35.) Third, the Court thought that the consequences for Apple’s and FlashPoint’s duty to investigate the fact that several of the Remaining Claimed Kodak Patents are continuations of earlier patents was not clear on the record. (*Id.* at 30, 35.) Kodak will address each of those issues in turn. Based on these additional undisputed facts, summary judgment should be granted to Kodak with respect to each of the Remaining Claimed Kodak Patents.⁴

ARGUMENT

Federal Rule of Civil Procedure 56, made applicable to this adversary proceeding by Bankruptcy Rule 7056, provides that “[t]he court shall grant summary judgment if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to

³ Apple’s remaining claims are to U.S. Patent Nos. 7,936,391 (the “‘391 patent”), 7,742,084 (the “‘084 patent”), 7,453,605 (the “‘605 patent”), 7,210,161 (the “‘161 patent”), 6,879,342 (the “‘342 patent”), the ‘854 patent, the ‘703 patent and the ‘406 patent (the “Remaining Apple Claimed Patents”). FlashPoint’s remaining claims are to the ‘391 patent, the ‘084 patent, the ‘605 patent, the ‘161 patent, the ‘342 patent, the ‘444 patent, and U.S. Patent Nos. 6,288,743 (the “‘743 patent”) and 6,542,192 (the “‘192 patent”) (the “Remaining FlashPoint Claimed Patents,” and collectively with the Remaining Apple Claimed Patents, the “Remaining Claimed Kodak Patents”).

⁴ FlashPoint claims ownership to U.S. Patent No. 7,058,444 (the “‘444 patent”), which was issued on March 24, 2009. Many of FlashPoint’s state law claims with respect to the ‘444 patent are barred by the applicable statute of limitations, although claims with a four year limitations period have not expired and Kodak is not seeking summary judgment on those claims. FlashPoint’s inventorship claim to the ‘444 patent should be barred by laches for the same reasons its claims to the other patents are barred by laches, notwithstanding the fact the presumption of laches did not attach. The Court has discretion to bar claims based on laches, regardless of the length of delay in asserting those claims. *See A.C. Aukerman Co. v. R.L. Chaides Const. Co.*, 960 F.2d 1020, 1032 (Fed. Cir. 1992). Here, given that FlashPoint was on actual or inquiry notice with respect to the other claimed Kodak patents, FlashPoint’s delay of more than three years in asserting claims to the ‘444 patent is unreasonable.

judgment as a matter of law.” Fed. R. Civ. P. 56(a); *Salahuddin v. Goord*, 467 F.3d 263, 272 (2d Cir. 2006); *Jeffreys v. City of New York*, 426 F.3d 549, 554 (2d Cir. 2005) (observing that “[t]o defeat summary judgment” a nonmoving party “must do more than simply show that there is some metaphysical doubt as to the material facts, and they may not rely on conclusory allegations or unsubstantiated speculation”). There remain no disputed issues of fact that are material and relevant to the motion. The factual record before the Court—including the supplemental undisputed facts submitted with this request to renew the motion—establishes that Apple and FlashPoint were on actual or constructive notice of their ownership claims many years ago.

I. Apple and FlashPoint Had Reason to Take Notice of The Remaining Kodak Patents at Issue.

Apple and FlashPoint both had reason to take notice of the Remaining Claimed Kodak Patents and to investigate any potential claims to those patents. As the Court noted, it is “undisputed that Kodak engaged in ‘pervasive, open and notorious’ licensing and litigation activities relating to its digital imaging patents.” (Opinion at 30.) Given the joint development work between Apple and Kodak in the 1990’s and the agreements entered into by the two companies, the Court said with regard to the ‘218 patent that it was:

unable to accept Apple’s position that a contracting party who has shared secrets with a competitor can, for almost a decade, ignore the open and notorious patent policy of its contractual counterparty without being on inquiry notice as to its rights, and that it can ignore multiple lawsuits brought by the other party against third parties, culminating in a subpoena issued by a third party (Sony) in one of these lawsuits demanding documents relating to the earlier joint endeavor.

(*Id.* at 28.)

All of the evidence which established that Apple and FlashPoint were on notice of the ‘218 patent is applicable to the Remaining Claimed Kodak Patents. Apple and FlashPoint

should not be permitted to wipe the slate clean and consider each of the Remaining Claimed Kodak Patents in isolation. Once Apple and FlashPoint were on actual or constructive notice of the '218 patent and the '335 patent, they had a duty to inquire as to the existence of other Kodak patents relating to Apple's and FlashPoint's purported contractual rights. Kodak is not arguing that Apple and FlashPoint had some generalized obligation to monitor all patents applied for by or issued to Kodak. Rather, once they were on notice that Kodak had obtained patents allegedly based on technology Apple disclosed to Kodak, Apple and FlashPoint had a duty to conduct targeted searches for other patents relating to the discrete set of disclosures Apple purportedly made to Kodak.

Apple could have conducted targeted searches for patents relevant to Apple's purported disclosures to Kodak, as evidenced by the fact it did so in 1992 and 1993. (*See* Holley Decl. Exs. 19-21.) Apple's search results establish that Apple first searched for patents assigned to Eastman Kodak and found 14,386 patents. (Holley Decl. Ex. 21 at 1.) Apple then narrowed its search and found 1,233 Kodak patents that "mentioned electronic or camera." (*Id.*) Apple then narrowed its search further, using search terms related to digital imaging and found 266 Kodak patents that were then reviewed more closely. (*Id.*) As discussed in Section II below, once Apple became aware that Kodak obtained patents that Apple believed were related to disclosures purportedly made by Apple to Kodak, Apple could easily and cost effectively have conducted targeted searches for such patents, just as it did in 1992 and 1993. Certainly, electronic search capabilities only improved—quite dramatically—between 1993 and 2005.

There is no requirement that Kodak establish that Apple and FlashPoint were provided with actual notice of each individual patent number. Requiring such specificity would eliminate the entire concept of inquiry notice. Rather, Kodak is only required to establish that

Apple and FlashPoint had “actual *or* constructive knowledge of an act that gives rise to a legal claim.” *Serdarevic v. Advanced Medical Optics, Inc.*, No. 06 CIV 7107, 2007 WL 2774177, at *5 (S.D.N.Y. Sept. 25, 2007), *aff’d*, 532 F.3d 1352 (Fed. Cir. 2008) (emphasis added). The evidence in the record—including the joint development efforts between Kodak and Apple and Kodak and FlashPoint, the parties’ agreements, the 2001 InfoTrends analyst report identifying certain of Kodak’s digital imaging patents, and Kodak’s open and notorious licensing and litigation activities, culminating in the receipt of and response to subpoenas in Kodak’s patent infringement litigation with Sony—put Apple and FlashPoint on constructive notice of all of the patents they claim to own. (*See* Holley Decl. Exs. 14, 16, 17, 22, 24, 27; Lynch Decl. Exs. A-D.) Once Apple and FlashPoint were on notice of the ‘218 patent and the ‘335 patent, as the Court found they were, they can reasonably have been expected to inquire about whether Kodak had obtained other digital imaging patents. Because they failed to do so, Apple’s and FlashPoint’s claims to the Remaining Claimed Kodak Patents are time-barred.

Moreover, the ‘218 patent resulted from a division of the patent application that led to the ‘406 patent. The fact that the ‘406 patent is the parent patent of the ‘218 patent was readily ascertainable from a review of the first page of the ‘218 patent. The application number for the ‘406 patent is located on the first page of the ‘218 patent under the heading “Related U.S. Application Data.” (Compare Holley Decl. Ex. 2 and Holley Decl. Ex. 4, both citing identifying application no. 08/367,399.) If Apple had conducted any reasonable inquiry into the ‘218 patent, which it did not, Apple would have quickly learned of the ‘406 patent. Accordingly, Apple’s

claims to the '406 patent are time-barred for the same reasons its claims to the '218 patent are barred.⁵

The Sony subpoenas put Apple and FlashPoint on at least inquiry notice that Kodak had obtained additional digital imaging patents that might give rise to claims. The Sony subpoenas are very broad. The subpoena directed to Apple, for example, requested “all documents and things that refer or relate to all communications, meetings, discussions, development efforts, or correspondence with Kodak relating to Apple or Kodak Digital Cameras.” (Holley Decl. Ex. 22 at 6.) This general request for documents that refer or relate to digital cameras goes far beyond requests directed to specific projects—Adam, Phobos, Aspen, QuickTake, Venus and Nimbus. (*Id.*) The subpoena directed to FlashPoint similarly requests all documents relating to “any digital camera patent of Kodak or any of the Kodak Patents-In-Suit,” which includes the '927 patent, the '924 patent, the '218 patent, and the '335 patent. (Holley Decl. Ex. 24 at 3, 6.) Although the '927 patent and the '924 patent were not mentioned in the subpoena directed to Apple, even a cursory glance at the complaint in the Sony litigation—which was publicly filed—would have revealed that the '927 patent involves inventions “for an apparatus and method for capturing and selecting digital images to be printed by a separate printing device” and that the '924 patent involves inventions “for a network configuration file for automatically transmitting images from an electronic still camera.” (Second Supplemental Declaration of Steven L. Holley (“Second Suppl. Holley Decl.”) Ex. 18.) Therefore, the Sony subpoenas put Apple and FlashPoint on notice of both the '924 patent and the '927 patent.

⁵ The Court’s Opinion already held that FlashPoint’s claims to the '406 patent are time-barred. (Opinion at 36-37, 38-39.)

These undisputed facts are critical because the patent laws and the Rules of the United States Patent & Trademark Office (“USPTO”) require that the Remaining Claimed Kodak Patents that resulted from continuation applications of the applications for the ‘924 patent and the ‘927 patent—the ‘161 patent, the ‘084 patent, the ‘391 patent, and the ‘605 patent—have the same disclosure as the parent, as explained in detail in Section III below.

Based on the information available to them upon receiving the Sony subpoenas, Apple and FlashPoint had a duty to investigate Kodak’s digital camera patents, and the ‘924 patent and ‘927 patent in particular. Had they done so, Apple and FlashPoint would have seen that Kodak was pursuing continuing applications from these patents, including applications that led to the ‘161 patent, the ‘084 patent, and the ‘391 patent in the ‘924 patent family. Similarly, they would have found that Kodak was pursuing continuing applications that led to the ‘605 patent in the ‘927 patent family. Therefore, it is fair to conclude that Apple and FlashPoint were on constructive notice of Kodak’s pursuit of additional applications directed to the subject matter disclosed in the ‘924 patent and the ‘927 patent as of the date they received the Sony subpoenas in August 2005. At any time, they could have, and should have, voiced their alleged claims to this patent family. They did not, and they should be estopped from now claiming rights to the resulting line of child patents that includes the ‘161 patent, the ‘084 patent, the ‘391 patent, and the ‘605 patent. Doing so is fully consistent with cases holding that a party can—in appropriate circumstances—be on notice of a patent ownership claim before the patent is issued or the application is even filed. *See Hor v. Chu*, 765 F. Supp. 2d 903 (S.D. Tex. 2011); *Mahmood v. Research in Motion*, No. 11 Civ. 5345, 2012 WL 242836, at *7 (S.D.N.Y. Jan. 24, 2012); *Bd. of Trustee of Leland Stanford Jr. Univ. v. Roche Molecular Sys., Inc.*, 583 F.3d 832 (Fed. Cir.

2009) (holding that a California cause of action based on a patent can accrue prior to patent issuance).

Even if the Court concluded that receipt of the Sony subpoenas did not put Apple and FlashPoint on constructive notice of the four child patents of the '924 patent and the '927 patent, the notice provided by the Sony subpoena of the subject matter of those patents should start the clock running upon publication of the patent applications for each of those patents.⁶ If Apple and FlashPoint were on notice as of the filing of those patent applications, their inventorship and ownership claims are still time-barred with respect to the '161 patent, the '605 patent, and the '084 patent.⁷

II. Apple and FlashPoint Could Have Reasonably Searched and Identified the Remaining Claimed Kodak Patents Efficiently.

Apple and FlashPoint could have identified the Remaining Claimed Kodak Patents with reasonable effort but failed to do so. The March 2001 analyst report produced from FlashPoint's own files states that Kodak's "patents can be found on the U.S. Patent and Trademark Office Web site, www.uspto.gov." (Holley Decl. Ex. 27 at 2.) By 2001, the USPTO website already had a free search engine that covered all issued U.S. patents. Archived web pages establish that if Apple or FlashPoint had gone to the USPTO website in March 2001, they would have been able to run a full text search using Boolean search logic on any U.S. patent issued since 1976. (*See* Mar. 22, 2001 archived web page, Second Suppl. Holley Decl. Ex. 13.)

⁶ Both Apple and FlashPoint had procedural mechanisms available to correct inventorship while the relevant patent applications were pending. *See Hor*, 765 F. Supp. 2d at 916.

⁷ The applications were published as follows: September 20, 2001 for the '161 patent, November 3, 2005 for the '605 patent, and December 13, 2007 for the '084 patent. (*See* Second Suppl. Holley Decl. Exs. 5, 6, 8.) While the presumption of laches does not attach for the '084 patent or the '391 patent based on application publication alone, the Court still has discretion to determine that those inventorship claims are untimely. *See A.C. Ackerman Co.*, 960 F. 2d at 1032. Any state law ownership claims to the '084 patent are barred by the applicable statutes of limitations because the application was published more than four years before the claim was asserted in March 2012.

The full text search function would have permitted Apple and FlashPoint to focus on topics relevant to their joint development work with Kodak. (*See* Dec. 6, 2000 archived web page, Second Suppl. Holley Decl. Ex. 10.) Apple and FlashPoint could have further refined their searches using one of the 31 field names available in the USPTO database, which included “Inventor Name,” “Assignee Name,” “Description/Specification,” and “Parent Case Information.” (*See* Oct. 19, 2000 archived web page, Second Suppl. Holley Decl. Ex. 9.)⁸ Using facilities made available for free by the USPTO, Apple and FlashPoint could have searched for Kodak’s relevant digital imaging patents quickly and cost-effectively in 2001 but chose not to.

By 2005, Kodak’s licensing and litigation of its digital imaging patents was pervasive, open and notorious, as evidenced by the Sony subpoenas served on Apple and FlashPoint in August 2005. Apple and FlashPoint readily could have searched for the patents at issue in the Sony litigation and any related patents following receipt of the subpoenas but failed to do so. For example, a current USPTO website Boolean search of patents issued between 1992 and 2005 that were assigned to the “Eastman Kodak Company” and contained “electronic camera” in the title returns only 52 results. Five of those 52 results (with 4 in the first 15 results) are patents to which Apple and/or FlashPoint is now claiming ownership—the ‘406 patent, the ‘703 patent, the ‘854 patent, the ‘342 patent, and the ‘743 patent. (*See* Second Suppl. Holley Decl. Ex. 20.) Similarly, a search for patents issued between 2001 and 2005 that were assigned to the “Eastman Kodak Company” and contained “digital still camera” in the title produces only 2 results, one of which is the ‘192 patent claimed by FlashPoint. (*Id.* Ex. 22.) These web-based

⁸ Those 31 fields remain the same fields available in the current version of the USPTO database. (*See* August 7, 2012 web page, Second Suppl. Holley Decl. Ex. 11.)

Boolean searches could have been completed for free in a matter of minutes, and the review and analysis of those results could not be viewed as burdensome for Apple and FlashPoint.⁹

In addition to offering full text searching of all patents issued since 1976, by 2005, the USPTO offered a feature known as PAIR (Patent Application Information Retrieval) that provides information on patent applications and identifies a parent patent and all child patents linked to that parent patent. When introduced in 2004, the USPTO hailed PAIR as a tool that will make “information that is critical to understanding how a technology is evolving . . . available to innovators.” (USPTO press release dated August 2, 2004, Second Suppl. Holley Decl. Ex. 19; *see also* April 8, 2006 archived web page, *id.* Ex. 17.) Apple and FlashPoint could have used PAIR to identify child patents to the ‘927 patent and the ‘924 patent at issue in the Sony litigation.

The advanced search capability available for free on the USPTO website establishes—all by itself—that Apple and FlashPoint could easily and cost-effectively have searched for and discovered the relevant Kodak digital imaging patents in 2005. Of the eleven Remaining Claimed Kodak Patents, seven either had an application published or had already issued by August 2005 when the Sony subpoenas were served (and another published three months later).¹⁰ The tools provided by the USPTO would also have enabled Apple and FlashPoint to identify relevant patent families, permitting them to review continuation applications without being informed of each patent number.

⁹ A search for published patent applications filed between 2001 and 2005 with “Parulski” as an inventor returns 88 results. Two of those results are patents that Apple and FlashPoint claim to own—the ‘605 patent and the ‘161 patent. (*See* Second Suppl. Holley Decl. Ex. 21.)

¹⁰ The 7 patents are the ‘406 patent, the ‘703 patent, the ‘854 patent, the ‘342 patent, the ‘743 patent, the ‘192 patent, and the ‘161 patent. (*See* Holley Decl. Exs. 25 and 26.)

Commercial patent search tools were also available years ago that could have been used to conduct detailed searches of Kodak's patents. For example, Kodak has licensed one such tool, called MicroPatent, since December 2001. Apple had access to patent databases back in 1992 and 1993 when it did search for Kodak's patents. (Holley Decl. Exs. 19-21.) It is reasonable to expect that sophisticated companies whose businesses depend on intellectual property utilize commercial patent search tools such as MicroPatent to protect their purported interests. Apple's and FlashPoint's failure to utilize such tools is entirely their fault.

III. The Parent Patents Put Apple and FlashPoint on Inquiry Notice of More Recently Issued Child Patents.

The Court's finding that Apple was on inquiry notice as to "the technology on which the '218 patent was based" (Opinion at 27) applies equally to the '161, '605, '084 and '391 patents. The '161, '084, and '391 patents are continuation applications that claim priority to the '924 patent. The '924 patent, like the '218 patent, was at issue in the Sony litigation where Apple and FlashPoint received and responded to subpoenas. Similarly, the '605 patent is a continuation application that claims priority to the '927 patent, which was also at issue in the Sony litigation. In order for a later patent to claim priority to an earlier patent, federal patent law requires that the subject matter disclosed in the later patent be identical to the subject matter disclosed in the earlier patent. Accordingly, when Apple was on inquiry notice of the '924 and '927 patents, it was also immediately on notice of the four later patents, because the subject matter disclosed in those patents is identical to that disclosed in the earlier patents.¹¹ As the Court recognized, several courts have held that the laches period for an inventorship claim and

¹¹ While the '161 patent and the '605 patent are independently time-barred for other reasons, the disclosure to Apple and FlashPoint of the '924 patent and the '927 patent in the Sony litigation provides additional undisputed evidence that Apple and FlashPoint should have been on notice of those two patents prior to their issuance. (See Second Suppl. Holley Decl. Exs. 23, 30.)

the statute of limitations period for state law ownership claims can be measured from a date before a patent issues in appropriate circumstances. (Opinion at 22.)

A patent application consists of several parts, including a title, abstract, specification (including the drawings), and the patent claims. Manual of Patent Examining Procedure (“MPEP”) § 601; *see also* 35 U.S.C. §§ 111-113. The first paragraph of section 112 of the Patent Act states that the specification “shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains to make and use the same.” 35 U.S.C. § 112.

A “continuation” is a second application seeking to patent different claims covering the same invention disclosed in a parent application. *Id.* § 201.07. “The disclosure presented in the continuation must be the same as that of the original [parent] application; i.e., the continuation should not include anything which would constitute new matter if inserted in the original [parent] application.” *Id.* A “divisional” application is similar to a continuation in that it is a “later application for an independent or distinct invention, carved out of a pending [parent] application and disclosing and claiming only subject matter disclosed in the earlier or parent application.” *Id.* § 201.06. For both continuation and divisional applications, “[t]he disclosure of a continuation or divisional application cannot include anything which would constitute new matter if inserted in the prior-filed application.” *Id.* § 201.11. The only parts of a continuation or divisional application that typically differ from the parent application are the title, abstract, and claims.

The duty to investigate an inventorship or ownership claim is, therefore, triggered by notice of the subject matter disclosed in the earlier patents in the family because they contain

the same disclosure as these later patents. The cover of a patent and first sentence of the patent specification of a continuation or divisional must refer to any parent application. *Id.* § 201.11. The '161 patent, the '084 patent, the '391 patent and the '605 patent, which issued from continuation applications to the '924 patent and the '927 patent at issue in the Sony litigation, are identical in material respects to their parent patents. Side-by-side comparison of the “Detailed Description of the Invention” field for each parent patent with its continuation or divisional child patents—the '924 patent against the '161 patent, the '084 patent, and the '391 patent, and the '927 patent against the '605 patent—reveals that they are identical. (*See* Second Suppl. Holley Decl. Exs. 23, 25, 28, 30.) This is significant because the Detailed Description of the Invention contains the disclosures that support each patent’s claims and “is a dictionary for the claims and should provide clear support or antecedent basis for all terms used in the claims.” MPEP § 608.01(g). That description “must be in such particularity as to enable any person skilled in the pertinent art or science to make and use the invention without involving extensive experimentation.” *Id.*; *see also* 35 U.S.C. § 112. Given that the Detailed Description of the Invention field of these four patents is identical to their parent patents, Apple and FlashPoint could have asserted purported claims to the subject matter of those patents after receiving notice of the parent patents in 2005. Having failed to take any action for years, Apple and FlashPoint should be precluded from asserting claims to the child patents now.

Also of particular importance is the fact that the drawings and “Brief Description of the Drawings” field for each parent patent are identical to the drawings and “Brief Description of the Drawings” field for each related child patent. The drawings included with a patent are incorporated in the Detailed Description of the Invention and, accordingly, the drawings supplement and illustrate the disclosed subject matter that supports each patent’s claims. Where

drawings are included, the MPEP and regulations require that patent include a “Brief Description of Drawings.” That section is comprised of a “brief description of the several views of the drawings and the detailed description of the invention shall refer to the different views.” MPEP § 608.01(f); 37 C.F.R. § 1.74. The drawings included in the ‘161 patent, the ‘605 patent, the ‘084 patent, and the ‘391 patent are identical to the drawings in their respective parent patent families. (*Compare* Holley Decl. Exs. 9, 11, 12 with Second Suppl. Holley Decl. Ex 2; Holley Decl. Ex. 10 with Second Suppl. Holley Decl. Ex. 1.) Since the drawings, “Brief Description of the Drawings” field, and “Detailed Description of the Invention” field are identical between each parent patent and its related child patent, Apple and FlashPoint had constructive notice that Kodak was asserting ownership over the subject matter of child patents when they received the Sony subpoena, and the claims are now time-barred.

The evidentiary record, as supplemented by this request to renew, establish that Apple and FlashPoint unreasonably sat on potential claims for years without taking any action to preserve those rights. Apple’s and FlashPoint’s inventorship and ownership claims to the Remaining Claimed Kodak Patents are time-barred, and summary judgment should be granted to Kodak.¹²

¹² The Court’s Opinion sets forth detailed reasoning why Apple’s and FlashPoint’s delay in litigating the ‘218 patent and the ‘335 prejudice Kodak. (Opinion at 31-33.) The same prejudice would result from requiring Kodak to litigate now inventorship and ownership claims to the Remaining Claimed Kodak Patents.

CONCLUSION

For the foregoing reasons, in addition to the reasons set forth in the original motion papers, the Debtors respectfully request that the Court grant Kodak's motion for summary judgment with respect to the Remaining Claimed Kodak Patents and order such other and further relief as the Court may deem just and proper.

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