

1 UNITED STATES DISTRICT COURT
2 NORTHERN DISTRICT OF CALIFORNIA

3)
4) Case Number: 3:21-cv-07721-EMC
5) **JOINT STATUS REPORT**
6) *Plaintiff,*)
7) vs.)
8) webinar.net, Inc.,)
9) *Defendant.*)
10)
11)

12 The Parties to the above-entitled action submit this JOINT STATUS REPORT.

13 On February 28, 2023 [D.I. 60], the Court ordered the Parties to submit this Joint Status
14 Report and to address the scheduling issue Defendant raised via its February 27, 2023 Motion to
15 Modify Case Schedule [D.I. 58]. The Parties also have one joint request concerning ADR, below,
16 and have articulated their respective positions on Defendant's motion.

17 JOINT STATEMENT REGARDING ADR

18 Through its most recent scheduling order [D.I. 52], the Court set an initial ADR deadline
19 of March 27, 2023. The Parties jointly request that this session be conducted with a Magistrate
20 Judge assigned through the Court's settlement conference and ask that the Court allow that session
21 to be conducted virtually, as multiple counsel on both sides are not located in the Bay Area. The
22 Parties further ask that the Court amend the ADR deadline through April 28, 2023, to allow for
23 Magistrate Judge assignment and subsequent session scheduling.
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1 Defendant has made no attempt to explain why prior counsel, who are described in the motion as
2 “patent attorneys” and who were registered to practice before the United States Patent and
3 Trademark Office, could not have met the original deadline to exchange terms for construction.

4 Defendant argues that “Defendant’s previous patent attorneys (Andrew Rapacke and Kyle
5 Kasparek of Rapacke Law Group) withdrew from representation on August 22, 2022, without
6 having requested a claim construction hearing.” [D.I. 58, ¶ 2]. That is simply incorrect. The first
7 scheduling order in this case, *jointly* proposed on January 11, 2022 [D.I. 20, 23] and entered
8 January 25, 2022 [D.I. 24]—*over a year ago*—set a schedule that included all Patent Local Rule
9 deadlines, including those for invalidity contentions and claim construction.
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11 Pursuant to this schedule, Defendant served its Patent L. R. 3-3 and 3-4 materials on April
12 4, 2022. There is no invalidity argument under 35 U.S.C. § 112 ¶6 based on means-plus-function
13 claiming under 35 U.S.C. § 112 ¶2. During this time period, Defendant also moved to invalidate
14 the asserted patent through an *inter partes* review at the Patent Office (which the Patent Office
15 denied). There is no mention in Defendant’s petition that any claim term should be construed under
16 35 U.S.C. § 112 ¶2, as Defendant now seeks to argue.
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18 Importantly, on the deadline to identify claim terms for construction under Patent L.R. 4-
19 1, April 18, 2022, ON24 complied with the deadline and informed Defendant that all claim terms
20 were entitled to their plain and ordinary meaning, requiring no construction. Defendant did not
21 contest this. The follow-on date under Patent L.R. 4-2 to produce preliminary claim constructions
22 and supporting extrinsic evidence, May 9, 2022, also came and went with neither Party taking any
23 action, as written constructions and support evidence are not required when claims carry their plain
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1 and ordinary meaning. ON24 then served Patent L.R. 3-8 initial damages contentions by the May
2 24, 2022 deadline.¹

3 If there was any doubt as to Defendant's interest in pursuing any claim construction or
4 unasserted invalidity positions, it was resolved with the next status report. On May 31, 2022, the
5 Parties submitted an updated *joint* status report, after all of the Patent L.R. deadlines had passed.
6 Defendant did not mention any claim construction or invalidity arguments it wished to assert. After
7 the third set of counsel appeared in this case, the Parties submitted another *joint* proposed schedule
8 [D.I. 48], which, again, did not mention any new claim construction or invalidity contentions, as
9 those issues had deliberately passed months before. Defendant has provided no explanation as to
10 why the original deadlines could not have been met and thus has failed to establish good cause to
11 amend the case schedule.
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14 Defendant also incorrectly asserts that amending the case schedule would cause no undue
15 burden to ON24. Undoing the last year of casework and preparation with new constructions or
16 invalidity contentions would impose significant expense on and prejudice to ON24. Foremost is
17 the extreme delay it would cause. The parties originally agreed to a schedule under which the time
18 for proposing new claim constructions and invalidity positions was about 11 months ago [D.I. 23].
19 Webinar.net provided its invalidity position and *all* parties declined to propose claim terms for
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23 ¹ Those contentions outline the lost profits, reasonable royalty, and state law damages ON24
24 seeks, but did not put forth a damages amount, as Defendant refused to produce any financial
25 documents as part of its Patent L.R. 3-4 required disclosures or in response to written discovery.
26 In January and February 2023, Defendant produced its first financial documents, and ON24 will
27 be seeking consent and leave to amend its Patent L.R. 3-8 contentions to reflect Defendant's
28 revenues. The sole impediment to completing those amendments is that Defendant has produced
its balance sheet and certain customer contracts under FRE 408, for settlement purposes only,
preventing ON24 from sharing such materials with its expert. ON24 has written to Defendant's
counsel twice concerning this need, and we look forward to a response from new counsel.

1 construction—again, nearly a year ago. It was *seven months later* that webinar.net’s patent counsel
2 moved to withdraw [D.I. 37], causing a delay of three more months to find new counsel [D.I. 44].
3 New counsel agreed to an amended schedule that did not revisit the past contention deadlines, but
4 that only looked forward—with fact discovery scheduled to end in July of this year [D.I. 50]. The
5 current proposal would reset the entire case about a year and half into its prosecution.

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7 Moreover, ON24 recently concluded a three-day inspection of Defendant’s source code
8 through its expert witness (January 9-11, 2023) based on the current framework of constructions
9 and invalidity positions. ON24 also updated its infringement contentions and source code citations
10 with that controlling framework. Should claim constructions change at this point, ON24 would
11 likely need to repeat a significant portion of the work that has already been completed, resulting
12 in additional expense.

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14 For these reasons, the Court should deny defendant’s motion to modify schedule, with
15 prejudice, at least as to claim construction and invalidity positions.

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17 DEFENDANT’S STATEMENT

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20 REPLY TO THE PLAINTIFF’S RESPONSE TO DEFENDANT’S
21 MOTION TO MODIFY CASE SCHEDULING

22 On 02/27/23 Mr. Sheerin, new patent counsel for the Defendant, sent via email to the
23 Plaintiff a request for claim construction of a single term (“communication manager object”)
24 recited in all of the independent claims. The email also notified the Plaintiff the Defendant would
25 seek construction of this term under 35 USC § 112(6) which would render all of the claims invalid
26 as indefinite under 35 USC § 112(2). The Plaintiff responded the same day objecting to a claim
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1 construction hearing for not being included in the current case scheduling. This email exchange
2 satisfies the “meet and confer for purposes of reaching an agreement, if possible, upon any
3 modification” as set forth in PLR 1-3. Accordingly on the same day (02/27/23), Mr. Sheerin filed
4 a motion to modify the case scheduling pursuant to Rule 16(b)(4) to include claim construction
5 briefs to be considered during a claim construction hearing.
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7 The Defendant’s invalidity defense for being indefinite under 35 USC § 112(2) was
8 initially submitted to the Plaintiff on 04/04/22 in the Defendant’s invalidity contentions pursuant
9 to PLR 3-3, and the Plaintiff did not object to the contentions. In particular, page 4 of Defendant’s
10 invalidity contentions includes an assertion that the claim term “communication manager object”
11 is indefinite under 35 USC § 112(2). Accordingly, the Defendant has given sufficient notice of
12 the defense of invalidity for being indefinite under 35 USC § 112(2) in compliance with PLR 3-3.
13 Further, PLR 3-3 does not require anything more than notice of invalidity defenses, and does not
14 require disclosure of claim terms to be construed under 35 USC § 112(6). The requirement to
15 identify claims to be construed under 35 USC § 112(6) arises when the parties exchange their
16 proposed claim terms to be construed under PLR 4-1(a) which the Defendant has complied with
17 in Mr. Sheerin’s email to the Plaintiff on 02/27/23.
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19 The Defendant’s invalidity defense under 35 USC § 112(2) has significant strength in that
20 this case mirrors *Rain Computing, Inc. v. Samsung Elecs. Am., Inc.*, 989 F.3d 1002 (Fed. Cir.
21 2021). In *Rain*, the Federal Circuit held the term “user identification module” to be a nonce term
22 because it has no commonly understood meaning and is not generally viewed by one skilled in the
23 art to connote a particular structure. *Id.* at 1006. Similarly, in this case the term “communication
24 manager object” has no commonly understood meaning and is not generally viewed by one skilled
25 in the art to connote a particular structure. Although the term “communication manager object” is
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1 described in Plaintiff's patent specification, in *Rain* the term "user identification module" was also
2 described in the patent specification, *including how it was connected to various parts of the system*
3 *and how it functioned*; however, the Federal Circuit held this was not enough to provide *sufficient*
4 *structure*. *Id.* at 1006. Equivalently in this case, although the term "communication manager
5 object" is described in Plaintiff's patent specification, it is described only in terms of how *it is*
6 *connected to various parts of the system and how it functions*. (US Pat. No. 9,148,480; col. 4, lines
7 24-49). Further, the Plaintiff's patent specification does not disclose any algorithm (e.g.,
8 flowchart) which is required under *Rain* since the invention is implemented using a general
9 purpose computer. *Id.* at 1008. The Federal Circuit held specifically: "Without an algorithm to
10 achieve the 'control access' function, we hold the term 'user identification module' lacks sufficient
11 structure and renders the claims indefinite." *Id.* at 1008.
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14 The Plaintiff contends that allowing the Defendant to assert the invalidity defense under
15 35 USC § 112(2) raised in their invalidity contentions submitted under PLR 3-3 will "reshape the
16 entire case." Even assuming *arguendo* the motion to amend the case scheduling is denied, the
17 Defendant has the right to assert the invalidity defense raised in their invalidity contentions. The
18 Defendant has never waived this defense, nor has the Plaintiff asserted this defense has been
19 waived or ever objected to the Defendant's invalidity contentions. Further, the Plaintiff cites no
20 authority in support of their assertion the Defendant can no longer assert the invalidity defense
21 raised in their invalidity contentions. Assuming the Defendant can assert the invalidity defense
22 raised in their invalidity contentions, the Defendant submits the issue should be litigated in due
23 course pursuant to the Patent Local Rules, including the submission of claim construction briefs
24 under PLR 4-5 and a claim construction hearing under PLR 4-6. Alternatively, unless the Court
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1 finds the Defendant has waived the invalidity defense, the Defendant will assert the defense in a
2 Motion for Summary Judgement.

3 The Plaintiff asserts that modifying the case scheduling to include a claim construction
4 hearing will unduly prejudice the Plaintiff. However, the claim construction hearing will address
5 a single claim term “communication manager object” which will not be unduly burdensome for
6 the Plaintiff to address. Further, the invalidity defense under 35 USC § 112(2) does not impact
7 any of the work performed to date by the Plaintiff. For example, contrary to the Plaintiff’s
8 assertion, the work the Plaintiff has already performed in evaluating the Defendant’s source code
9 will not be affected in any manner by a claim construction hearing to decide whether the term
10 “communication manager object” should be construed under 35 USC § 112(6).
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1 If the Court considers the Defendant's invalidity defense under 35 USC § 112(2) an
2 amendment to the Defendant's invalidity contentions, the Defendant requests the Court consider
3 the motion to modify the case scheduling as a motion to amend the Defendant's invalidity
4 contentions pursuant to PLR 3-6.

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6 Dated: March 14, 2023

7 Respectfully submitted,

8 /s/ Nagendra Setty

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