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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

SANTA ANA DIVISION

UNILOC 2017 LLC, Plaintiff, v. INFOR, INC., Defendant.	Case No. 8:19-cv-01150-DOC-KES (CONSOLIDATED) PLAINTIFF'S OPPOSITION TO UBISOFT'S MOTION FOR JUDGMENT ON THE PLEADINGS
UNILOC 2017 LLC, Plaintiff, v. UBISOFT, INC., Defendant.	

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Plaintiff, Uniloc 2017 LLC ("Uniloc"), respectfully submits this brief in Opposition to the Motion for Judgment on the Pleadings, Dkt. No. 67 ("Motion"), of Defendant Ubisoft, Inc. ("Ubisoft"). For the reasons set forth below, the Motion should be denied.

Ubisoft's Motion argues a dismissal of an unrelated action Uniloc had brought against Akamai Technologies, Inc. ("Akamai") created claim preclusion that extends to this action. But Ubisoft was not a party to that action, nor in privity with Akamai. Further, the action was dismissed on the basis of a defense that was personal to Akamai, which defense does not apply to Ubisoft. Finally, much of Ubisoft's infringing activity does not even involve Akamai.

I. Background

a. Preclusion in the Federal Courts.

Preclusion law or the law of judgments (sometimes referred to as res judicata or collateral estoppel) is the jurisprudence that determines whether a court should give preclusive effect to an earlier decision made in a different action. The purpose of preclusion law is to avoid the needless relitigation of factual and legal issues that have already been decided, and in some cases even those that were not but could have been decided, in prior adjudications. Preclusion law is generally divided into the broad categories of issue preclusion and claim preclusion.

Issue preclusion bars subsequent litigation on an issue of law or fact that was actually litigated. *Brain Life, LLC v. Elekta Inc.*, 746 F.3d 1045, 1054-55 (Fed. Cir. 2014). *See* Restatement (Second) of Judgments §27. If an issue of fact or law is actually litigated and determined by final judgment, and the determination is essential to the judgment, that determination is conclusive in any later action between the parties on the same or a different claim. *Brain Life*, 746 F.3d at 1055.

By contrast, claim preclusion may bar subsequent litigation on issues that were *not* actually litigated, but only if they would have been part of the same claim that was resolved. The aim of claim preclusion is to avoid multiple suits on identical

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obligations between the same parties. Claim preclusion is invoked upon a determination that the issues precluded should have been advanced in the earlier suit.

Whether a cause of action is barred by claim preclusion is a question of law. Generally, the Federal Circuit will apply the law of the regional circuit in which the trial court resides. *Id*. at 1052.

The Ninth Circuit has held that claim preclusion applies where the prior suit (1) involved the same claim or cause of action as the later suit; (2) reached a final judgment on the merits; and (3) involved identical parties or privies. *Mpoyo v. Litton Electro-Optical Sys*., 430 F.3d 985, 987 (9th Cir. 2005). The Federal Circuit will apply its own law as to whether two claims of infringement constitute the same claim or cause of action. *Brain Life*, 746 F.3d at 1052.

Claim preclusion is an affirmative defense. And it is incumbent on the defendant to prove such a defense. *Taylor v. Sturgell*, 553 U.S. 880, 908 (2008).

b. The IBM assignment and the *Akamai* litigation.

IBM, the original owner of the patents-in-suit in this action, assigned those patents to Uniloc. Gannon Decl., Ex. 1. In the assignment agreement, IBM retained the right to grant a sublicense to "IBM Strategic Partners," i.e., entities with which it had done a certain volume of business prior to the assignment. *Id*., § 2.1(f), 5. The assignment also imposed an indemnification obligation on Uniloc if it maintained a claim against any third party "knowing" it was an IBM Strategic Partner. *Id*., §4.3.

IBM provided Uniloc with a written assurance that Akamai did not qualify as an IBM Strategic Partner. *See* Gannon Decl., Ex. 2. Uniloc then sued Akamai for patent infringement. The assurance from IBM, however, turned out to be wrong. After the suit was filed, Akamai moved to dismiss, providing evidence that it had done sufficient business with IBM to qualify as an IBM Strategic Partner. Dkt. No. 67-5, at 2.

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In view of that evidence, and despite the fact that IBM had not issued a license to Akamai, Uniloc agreed to a dismissal because proceeding with the suit under the circumstances would be impractical, but argued the dismissal should be without prejudice. Dkt. No. 67-8; 67-9. The court, however, granted a dismissal with prejudice, over Uniloc's objection. Dkt. No. 67-9. ("Akamai Order.")

c. Ubisoft's Motion.

Ubisoft was not a party to, and had no involvement in or relationship to, the *Akamai* action. It did not control the *Akamai* litigation, nor did it have any indemnification agreement with Akamai.

The indemnification issue that arose in the *Akamai* litigation, described above, does not arise here. Ubisoft is not, and does not claim to be, an IBM Strategic Partner[1]. Ubisoft does not claim IBM has a right to issue it a sublicense. And it does not claim Uniloc has an obligation to indemnify it. The defense raised by Akamai for its own benefit in the *Akamai* litigation was personal to Akamai. The defense does not apply to the infringement claims asserted here against Ubisoft.

Because the *Akamai* action was dismissed at the outset based on that defense, no other issues were actually litigated in the action. Ubisoft's Motion thus does not rely upon issue preclusion.

Instead, Ubisoft argues that because the Akamai Order was *with* prejudice it created claim preclusion requiring the Court to dismiss this action. To support its position, Ubisoft argues its activity accused of infringement in the counterclaims, see Dkt. No. 29, was carried out on an Akamai content delivery network (CDN), and thus Uniloc's claim against Ubisoft is identical to its claim against Akamai.

[1] In fact, the IBM assignment agreement identified Ubisoft as an entity that did not "meet the definition of" IBM Strategic Partner. Ex. 1, at 8, 12.

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II. Argument

a. The Motion is limited to the use of an Akamai CDN.

Ubisoft's Motion for judgment on the pleadings argues the dismissal with prejudice of the action against Akamai, Dkt. No. 67-9, an unrelated entity, created claim preclusion here.

But Uniloc had not mentioned Akamai in the pleadings in this action, nor had Ubisoft.[2] *See* Dkt. Nos. 1, 29. Uniloc did mention the Akamai CDN in its infringement contentions in this action, but only with respect to one of the two patents-in-suit, the '293 patent. Those contentions named Akamai not as itself an infringer, but simply as an entity that maintains a CDN on which Ubisoft had conducted some of its infringing activity, as regards the '293 patent.

Akamai's CDN is not the only CDN that Ubisoft has used or is using to conduct its infringing activity. Ubisoft acquired its own CDN, i3D.net, two years ago, presumably to replace the Akamai CDNs, *see* Gannon Decl., Ex. 3. And Uniloc believes that even before the acquisition Ubisoft also made extensive use of the CDNs of i3D.net.[3]

Because of this factual problem, this Opposition will treat the Motion as limited to claims of Ubisoft's infringement by use of an Akamai CDN.

b. Claim preclusion does not apply.

Ubisoft cannot argue *issue* preclusion because the only issue that was actually argued and decided in the *Akamai* litigation does not arise in this action.

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[2] Although Ubisoft claims to direct its Motion to the pleadings, the pleadings themselves nowhere mention Akamai, or any suit against Akamai. As the Motion presents matters outside the pleadings, per Rule 12(d) the Court should treat it as one for summary judgment under Rule 56.

[3] The above discussion pertains only to the '293 patent. Ubisoft did not identify any documents in this action connecting Ubisoft's infringement of the '578 patent to Akamai.

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