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UNITED STATES DISTRICT COURT

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NORTHERN DISTRICT OF CALIFORNIA

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SAN JOSE DIVISION

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IN RE PERSONAL WEB TECHNOLOGIES,
 LLC, ET., AL., PATENT LITIGATION

CASE NO.: 5:18-md-02834-BLF

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AMAZON.COM, INC., et., al.,

Case No.: 5:18-cv-00767-BLF

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Plaintiffs,

**PERSONALWEB TECHNOLOGIES,
 LLC'S REPLY IN SUPPORT OF
 MOTION FOR ORDER AND ENTRY OF
 JUDGMENT OF NON-INFRINGEMENT**

18

v.

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PERSONALWEB TECHNOLOGIES, LLC,
 et., al.,

20

Defendants.

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PERSONALWEB TECHNOLOGIES, LLC
 and LEVEL 3 COMMUNICATIONS, LLC,

Trial Date: March 16, 2020

23

Counterclaimants,

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v.

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AMAZON.COM, INC. and AMAZON WEB
 SERVICES, INC.,

26

Counterdefendants.

27

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1 **I. INTRODUCTION**

2 Amazon dangles the risk of inefficient and disorderly appeals to avoid getting the very result
3 they demanded from PersonalWeb over two months ago--dismissal of this action. Amazon cites to
4 law that discourages an appellate court from “hav[ing] to decide the same issues more than once
5 even if there are subsequent appeals” (Oppo. at 2:20-23), but then contradicts itself by admitting that
6 the arguments it wants this Court to hear on summary judgment are “independent of the claim
7 construction PersonalWeb wishes to appeal.” (Oppo. at 2:5-6.) There are few overlapping issues
8 between the Court’s findings in the Claim Construction Order and Amazon’s motion for summary
9 judgment (Dkt. 541.) The Court should enter a judgment and dismiss the entire action between
10 PersonalWeb and Amazon now to avoid having to work up the entirety of the summary judgment
11 motion based on issues that Amazon had never raised until now—work that will be entirely wasted if
12 Amazon prevails in the appeal on claim construction, as Amazon is so confident it will. Moreover,
13 the hypothetical efficiency of avoiding a remand and second appeal by proceeding now to summary
14 judgment fails to consider that if this case is ever remanded back to this Court by the Federal Circuit
15 (assuming reversal on claim construction) there would most likely be additional appeals in that
16 scenario (e.g., damages determinations, invalidity) regardless of the precise outcome of the
17 proceedings on remand. Amazon’s efficiencies argument is speculative.

18 **II. ARGUMENT**

19 Amazon acknowledges that it “has raised additional non-infringement arguments at summary
20 judgment that are independent from the claim construction issue PersonalWeb plans to appeal”.
21 (Oppo. at 3:4-5.) PersonalWeb agrees that these arguments are independent.

22 ***'544 and '791 patents not in infringement contention:***

23 PersonalWeb’s operative counterclaim does not include claims of the ’544 and ’791 patents.
24 (Dkt. 71.) PersonalWeb is agreeable to modifying its proposed order and final judgment to include a
25 declaratory judgment of noninfringement regarding the ’544 and ’791 patents. Further, as
26 PersonalWeb’s operative counterclaim does not include claims of infringement of the ’544 patent,
27 the inclusion in the proposed order and final judgment for Amazon regarding PersonalWeb’s
28 counterclaim of infringement of the ’544 patent was mistakenly included and should be removed.

1 The judgments regarding the '544 and '791 patents is independent of the Claim Construction Order
2 and thus will not be appealed.

3 ***No expert opinion testimony presented by PersonalWeb re Amazon:***

4 On August 16, 2019, a few hours after the Claim Construction Order was issued, Amazon
5 threatened sanctions if PersonalWeb did not immediately dismiss all of its claims with prejudice. Of
6 course, Amazon knew when it made this demand that Amazon would have to stipulate to such a
7 dismissal. PersonalWeb immediately offered to dismiss its claims as Amazon requested. Based on
8 Amazon's threat of sanctions should PersonalWeb continue any further prosecution of its case
9 against Amazon, and in reliance on Amazon's indicated desire for immediate dismissal,
10 PersonalWeb did not serve an expert witness report in the Amazon case that was due on August 23,
11 2019.

12 Over a month later, Amazon first conveyed that it had reversed course and would not agree
13 to a dismissal. Apparently, Amazon saw an opening to take advantage of PersonalWeb's acceptance
14 of Amazon's dismissal demand and not producing expert reports that would force Amazon to rebut
15 them. Now, based on the Amazon-induced absence of PersonalWeb expert reports, Amazon is
16 attempting to receive an essentially "default" summary judgment on brand new issues, unrelated to
17 the Claim Construction Order. This type of gamesmanship should not be rewarded by this Court.

18 ***Brand new noninfringement arguments completely unrelated to the Claim Construction***

19 ***Order :***

20 As Amazon admits, its summary judgment "rests on additional arguments that are both fatal
21 to PersonalWeb's infringement theories and independent of the claim construction PersonalWeb
22 wishes to appeal." Opp. at 2:5-6. Amazon's new noninfringement arguments have nothing to do
23 with *any* of the terms construed in the Claim Construction Order. Accordingly, these new issues
24 raised by Amazon will not be based on any common facts, claim terms, or Court rulings as those
25 related to the Claim Construction Order.

26 ***Judicial Economy.:***

27 Since the parties agree that infringement cannot be proved under the Court's construction of
28 "unauthorized or unlicensed" and "authorization" (Oppo. at 3:20-21), there is no risk of piecemeal

1 appeals. *Curtiss-Wright Corp. v. Gen. Elec. Co.*, 446 U.S. 1, 8 (1980) (affirming district court’s
2 decision that to certify case for appeal where there was no sound reason to delay appellate
3 resolution.) And the notion raised by Amazon that the Federal Circuit can affirm a judgement of
4 non-infringement based on any ground supported by the record is circular—unless the Court
5 entertains Amazon’s motion for summary judgment, the record will not include anything to support
6 Amazon’s new noninfringement arguments. This notion also applies the other way and supports
7 entry of judgment now: should the Federal Circuit agree with Amazon on the Claim Construction
8 Order, it can affirm the judgment, thereby ending the case and preserving the Court’s time, and the
9 parties from an unnecessary expenditure of fees related to Amazon’s summary judgment motion. It
10 defies logic to ask this Court to consider the five aforementioned grounds before the Federal Circuit
11 renders a decision on the Claim Construction Order.

12 Relying on *Solannex, Inc. v. Miasole, Inc.*, No. CV 11-00171 PSG, 2013 WL 430984, at *3
13 (N.D. Cal. Feb. 1, 2013), Amazon argues for simultaneous entry of judgement in this action and the
14 Twitch action. Amazon’s reliance on *Solannex* is misplaced. There, the Honorable Magistrate Judge
15 Paul S. Grewal denied the parties’ request for entry of judgment because “[m]any of the same terms
16 (including the term “pattern”) appear in both the ’810 and ’249 patents as well as the ’568 and ’737
17 patents” and “[c]laim construction for the ’568 and ’737 patents *has not yet taken place*. If the court
18 were to certify the claim construction of the ’810 and ’249 patents, it is likely that the parties would
19 appeal claim construction of the same terms at a later date, requiring the appellate court to decide the
20 same issues—or at least similar—more than once.” (*Id.*) (emphasis added). Here, the Court has
21 finished claim construction for *all* of the terms in all of the patents at issue as to both Twitch and
22 Amazon. The risk feared of in *Solannex* does not exist here. The equities involved thus do not
23 suggest any reason for delay. Instead, delaying entry of judgment in this action is burdensome on
24 the parties and incongruous with protecting judicial economy.

25 Lastly, PersonalWeb recognizes that Rule 54(b) may not technically be the correct rule for
26 this motion as the motion seeks a dismissal of *all* of the claims in this case, not a partial judgment.
27 However, the Court can dismiss this entire action pursuant to Rule 41(a)(2) under its sound
28 discretion, to produce a “with prejudice” result so that PersonalWeb can pursue its appellate

1 rights. *Sams v. Beech Aircraft Corp.*, 625 F.2d 273, 277 (9th Cir. 1980) (internal citation omitted).
2 A district court should grant a motion for voluntary dismissal under Rule 41(a)(2) unless a defendant
3 can show that it will suffer some plain legal prejudice as a result. *Smith v. Lenches*, 263 F.3d 972, 75
4 (9th Cir. 2001). Legal prejudice in the 9th Circuit means “prejudice to some legal interest, some
5 legal claim, some legal argument.” *Smith v.*, 263 F.3d at 76 (internal quotations omitted). No legal
6 prejudice will befall Amazon if the Court dismisses this entire action now, in the manner proposed.
7 That a subsequent litigation may be necessary following PersonalWeb successfully pursuing an
8 appeal would not constitute legal prejudice. *See Westlands Water Dist. v. United States*, 100 F.3d
9 94, 97 (9th Cir. 1996) (holding that “[u]ncertainty because a dispute remains unresolved” or because
10 “the threat of future litigation ... causes uncertainty” does not result in plain legal prejudice). *Id.* at
11 96–97. As is stated above, there is no risk of piecemeal appellate review here because PersonalWeb
12 seeks entry of judgment and dismissal of its entire case against Amazon to enable PersonalWeb to
13 pursue its appellate rights. Should PersonalWeb prevail on the Claim Construction Order on appeal,
14 there will necessarily be more than one appeal because a remand will be necessary, and a subsequent
15 appeal will likely ensue, brought by the party that loses at trial thereafter. But if PersonalWeb does
16 *not* prevail on the Claim Construction Order appeal, the matter is over. Entry of judgment now,
17 before adjudication of Amazon’s summary judgement motion, is the only procedural path that can
18 lead to the result of a single appeal. The Court should therefore grant this Motion. *See Smith v. Half*
19 *Hollow Hills Cent. Sch. Dist.*, 298 F.3d 168, 172 (2d Cir. 2002) (“[T]he federal policy against
20 piecemeal appeals is not implicated where an entire case can be decided in a single appeal.”)

21 **III. CONCLUSION**

22 Entry of judgment and dismissal of this action is proper to avoid usurping of the Court’s
23 resources now that the parties have agreed that infringement cannot be proven under the Claim
24 Construction Order. The doomsday risk of the Federal Circuit vacating partial final judgements that
25 raise the potential for multiple overlapping risks does not exist here because PersonalWeb is *not*
26 seeking entry of partial judgment but instead entry of judgment and dismissal of this *entire* action
27 between PersonalWeb and Amazon. Amazon’s reliance on Federal Circuit law to make this
28 inapplicable point is therefore misplaced. *See e.g. Linear Tech. Corp. v. Impala Linear Corp.*, 31 F.

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