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10 **Attorneys for PersonalWeb Technologies,
 11 LLC**

Attorneys for Amazon.com, Inc., Amazon
 Web Services, Inc., and Twitch Interactive,
 Inc.

13 UNITED STATES DISTRICT COURT
 14 NORTHERN DISTRICT OF CALIFORNIA
 15 SAN JOSE DIVISION

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

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

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

CASE NO.: 5:18-cv-00767-BLF

20 Plaintiffs,

CASE NO.: 5:18-cv-05619-BLF

21 v.

22 PERSONALWEB TECHNOLOGIES, LLC,
 23 and LEVEL 3 COMMUNICATIONS, LLC,

24 Defendants.

**JOINT STATEMENT REGARDING
 PERSONALWEB'S REQUEST TO DENY
 OR DEFER CONSIDERATION OF
 MOTION FOR ATTORNEYS' FEES AND
 BILL OF COSTS PENDING
 RESOLUTION OF PERSONALWEB'S
 APPEALS**

25 PERSONALWEB TECHNOLOGIES, LLC
 26 and LEVEL 3 COMMUNICATIONS, LLC,

27 Counterclaimants,

28 v.

AMAZON.COM, INC. and AMAZON WEB

1 SERVICES, INC.,
2 Counterdefendants.
3 PERSONALWEB TECHNOLOGIES, LLC, a
4 Texas limited liability company, and
5 LEVEL 3 COMMUNICATIONS, LLC, a
6 Delaware limited liability company
7 Plaintiffs,
8 v.
9 TWITCH INTERACTIVE, INC. a Delaware
10 corporation,
11 Defendant.

12 The parties submit the following joint statement regarding PersonalWeb’s request to deny or
13 defer consideration of the motion for attorneys’ fees and bill of costs of Amazon.com, Inc., Amazon
14 Web Services, Inc., and Twitch Interactive, Inc. (collectively, “Amazon”) pending resolution of
15 PersonalWeb’s Federal Circuit appeal.

16 PersonalWeb submits its request pursuant to the Court’s standing invitation regarding case
17 management issues and requests a telephone conference to address the issues set forth herein.
18 (Transcript of Proceedings, February 28, 2019, Dkt. 373 at 79:17-20) (“As always, if issues arise that I
19 can address on case management, please submit a joint statement outlining the issues. I will get you
20 together by phone within a few days and then we can decide what we need to do.”); Transcript of
21 Proceedings, November 2, 2018, Dkt. 300 at 32:6-9.)

22 Amazon does not oppose PersonalWeb’s request for a telephonic case management conference.
23 But, as set forth in the joint statement below, because PersonalWeb seeks *denial* of Amazon’s motion
24 for attorneys’ fees, or, in the alternative, seeks *affirmative relief* from the Court in the form of a stay of
25 briefing on that motion, PersonalWeb should have raised these issues in its opposition to Amazon’s
26 motion, or filed a noticed motion for the relief it seeks.

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PERSONALWEB'S STATEMENT

1
2 Plaintiff PersonalWeb Technologies, LLC (“PersonalWeb”) hereby requests that the Court,
3 under its inherent authority under Federal Rule of Civil Procedure 54(d), deny Amazon.com, Inc.,
4 Amazon Web Services, Inc. and Twitch Interactive, Inc.’s (collectively, “Defendants”) Motion for
5 Attorneys’ Fees and Bill of Costs (“Motion”) (Dkt. 593; 589) *without prejudice* with leave to refile it
6 once the Federal Circuit resolves PersonalWeb’s appeals on the grounds that the Motion is principally
7 based on substantive issues that are the subject of PersonalWeb’s two appeals pending before the
8 Federal Circuit (Dkt. 431, 587) the determination of which will likely affect the Motion. Alternatively,
9 PersonalWeb requests that the Court stay the briefing and hearing on Defendants’ Motion until the
10 appeals are resolved.

11 The issues on appeal go to the core of Defendants’ Motion. Denial without prejudice or a stay
12 of the Motion is appropriate in this situation, because if the Court were to hear the Motion before the
13 Federal Circuit rules on the two pending appeals, the Court, PersonalWeb, and Defendants will spend
14 substantial time, effort, and cost (in the case of the parties) briefing, arguing, hearing, and deciding
15 these issues —effort that will be wasted should the Federal Circuit rule in favor of one or both of
16 PersonalWeb’s pending appeals. PersonalWeb is particularly mindful, now more than ever, of the
17 Court’s potentially reduced resources and increased demand for its services which further necessitates
18 the requested relief.

19 PersonalWeb sought to stay Defendants’ Motion via stipulation, but Defendants’ counsel
20 refused and indicated it would oppose PersonalWeb’s request. (**Exhibit A** (Mar. 30 through Apr. 3,
21 2020 Emails from Gersh to Gregorian).) PersonalWeb could not have raised this issue before
22 Defendants filed their Motion as is dependent on the grounds on which Defendants chose to base their
23 Motion.

24 District courts have the power and discretion to defer or deny without prejudice a motion for
25 attorney’s fees pending resolution of an appeal on the merits. 1993 Advisory Committee Notes to F. R.
26 Civ. P. 54(d) (“If an appeal on the merits of the case is taken, the court may rule on the claim of fees,
27 may defer its ruling on the motion, or may deny the motion without prejudice, directing under
28 subdivision (d)(2)(B) a new period for filing after the appeal has been resolved.”)

1 Exercising this discretion, California district courts have found it appropriate to deny motions
2 for attorney’s fees under 35 U.S.C. § 285 without prejudice while a relevant appeal is pending. *See*
3 *FlowRider Surf, Ltd. v. Pac. Surf Designs, Inc.*, No. 315CV01879BENBLM, 2018 WL 6830611, at *1
4 (S.D. Cal. Dec. 21, 2018) (denying § 285 attorney’s fee motion without prejudice because it was
5 “apparent that the appellate court’s decision could have an impact on this Court’s determination of
6 whether this is an ‘exceptional’ case.”); *see also Pacing Techs., LLC v. Garmin Int’l, Inc.*, No. 12-CV-
7 1067-BEN JLB, 2014 WL 2872219, at *6 (S.D. Cal. June 24, 2014)).

8 The court in *Pacing Techs.* noted the discretionary nature of deciding attorney’s fees motions
9 pending appeal but explained that, “[p]articularly if the claim for fees involves substantial issues or is
10 likely to be affected by the appellate decision, the district court may prefer to defer consideration of the
11 claim for fees until after the appeal is resolved.’ District courts have exercised their discretion to defer
12 ruling on a motion for attorneys’ fees, or to deny the motion without prejudice to being renewed
13 following disposition of the appeal.” *Id.* at *4-5 (quoting 1993 Advisory Committee Notes to Rule 58).
14 This is exactly the situation here. The two pending appeals are about precisely the two primary grounds
15 for Defendants’ Motion: (1) that PersonalWeb filed the present cases alleging infringement by S3
16 knowing their claims were precluded by the prior Texas action, Motion at 1-2, 9-10 (“That [(suing
17 Amazon customers’ use of S3 to infringe the same patents as in the Texas case)] alone should subject
18 PersonalWeb to a substantial fee award.” and (2) that PersonalWeb’s substantive infringement case
19 was baseless. Motion at 2, 9-10 (“The [noninfringement] summary judgment order, too, makes clear
20 that PersonalWeb brought baseless claims. [] The Court ruled that each of the remaining three patents
21 was not infringed on multiple distinct grounds, granting Amazon and Twitch’s motions as to every
22 specific non-infringement argument raised.”)

23 The four factor test in *Hilton v. Braunskill*, 481 U.S. 770, 776 (1987), is not applicable because
24 it is directed to the ministerial task of taxing costs. PersonalWeb is not aware of any reported case in
25 which *Hilton’s* four factor test has been used regarding staying the much more involved determination
26 of *whether* a case is exceptional under 35 USC §285. *Cf. Spitz Techs. Corp. v. Nobel Biocare USA LLC*,
27 No. SACV1700660JVSJCGX, 2018 WL 6016149, at *1 (C.D. Cal. Aug. 13, 2018) (denying a motion
28 to stay determination of the *amount* of attorneys’ fees *after* the court had already granted motion a

1 finding the case exceptional under §285.).

2 Delaying Defendants' Motion pending appeal in this case is particularly compelling because of
3 a change in law that occurred after the first summary judgment ruling. In granting Defendants' motion
4 for summary judgment based on claim preclusion and the *Kessler* doctrine, the Court primarily
5 determined the scope of the Texas action based on the allegations in the complaint rather than the
6 infringement contentions. Dkt. 381 at 17-19. Since the Court's order, the Federal Circuit issued a
7 decision in which they explicitly used the infringement contention rather than the complaint to
8 determine the subject matter of the prior action for claim preclusion purposes. *See Huang v Huawei*
9 *Technologies Co., Ltd.*, 787 Fed. Appx. 723 (Fed. Cir. Oct. 9. 2019).

10 Even if the *Huang* decision does not result in an outright reversal, it makes it particularly likely
11 that PersonalWeb's appeal will result in at the very least a change in the basis and "closeness" of the
12 claim preclusion issue. Further, a major argument in Defendants' motion for attorney's fees is that the
13 Hadley declaration was a "sham" because Mr. Hadley's testimony about the subject matter of the Texas
14 action was contradicted by the complaint. Motion at 5:12-15. If the Federal Circuit follows *Huang*,
15 even if PersonalWeb' appeal is not entirely successful, the Court's negative comments regarding the
16 Hadley declaration would be vitiated.

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