United States District Court
Northern District of California

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3   **UNITED STATES DISTRICT COURT**

4   **NORTHERN DISTRICT OF CALIFORNIA**

5   **SAN JOSE DIVISION**

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7 IN RE: PERSONALWEB TECHNOLOGIES, LLC ET AL., PATENT	Case No. 18-md-02834-BLF
8 LITIGATION	
9 AMAZON.COM, INC., and AMAZON WEB SERVICES, INC.,	**ORDER GRANTING AMAZON.COM, INC., AMAZON WEB SERVICES, INC., AND TWITCH INTERACTIVE, INC.'S MOTION FOR ATTORNEY FEES AND COSTS; *SUA SPONTE* LIFTING THE STAY ON ALL CUSTOMER ACTIONS**
10	
11 Plaintiffs v.	
12	[Re: ECF 593]
13 PERSONALWEB TECHNOLOGIES, LLC and LEVEL 3 COMMUNICATIONS, LLC,	
14 Defendants,	Case No.: 5:18-cv-00767-BLF
15 PERSONALWEB TECHNOLOGIES, LLC, a Texas limited liability company, and	[Re: ECF 184]
16 LEVEL 3 COMMUNICATIONS, LLC, a Delaware limited liability company,	
17	Case No.: 5:18-cv-05619-BLF
18 Plaintiffs, v.	[Re: ECF 88]
19	
20 TWITCH INTERACTIVE, INC. a Delaware corporation,	
21 Defendant.	

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23   In this multidistrict litigation ("MDL"), PersonalWeb Technologies, LLC ("PersonalWeb")

24 alleged patent infringement by Amazon.com, Inc. and Amazon Web Services, Inc., (collectively,

25 "Amazon") and separately by dozens of Amazon's customers, related to the customers' use of

26 Amazon's Simple Storage Service ("S3") and Amazon's CloudFront content delivery network

27 ("CloudFront"). The Court designated PersonalWeb's suit against Twitch Interactive, Inc.

28 ("Twitch") as the representative customer case. Amazon and Twitch prevailed at summary

1   judgment and now bring the present Motion for Attorney Fees and Costs.[1] Motion, ECF 593. The

2   Court heard oral arguments on August 6, 2020 (the "Hearing"). For the reasons stated below,

3   Amazon and Twitch's Motion is GRANTED.

4   **I.   BACKGROUND**

5   The tale of this patent infringement battle began nearly nine years ago when PersonalWeb

6   sued Amazon and its customer Dropbox, Inc. in the Eastern District of Texas, alleging infringement

7   by Amazon S3. *See PersonalWeb Techs., LLC v. Amazon.com Inc.*, No. 6:11-cv-00658 (E.D. Tex.

8   Filed Dec. 8, 2011) (the "Texas Action"). After the district court issued its claim construction order

9   in the Texas Action, PersonalWeb stipulated to the dismissal of all its claims against Amazon with

10   prejudice and the court entered judgment. ECF 315-7; ECF 315-8.

11   Nearly four years later, starting in January 2018, PersonalWeb filed 85 lawsuits against

12   different Amazon customers in various courts around the country, alleging that those customers' use

13   of Amazon S3 service infringed the same patents at issue in the Texas Action. *See* ECF 295; ECF

14   1, Schedule A.   In the earliest complaints filed in the customer cases, PersonalWeb alleged

15   infringement of U.S. Patent Nos. 5,978,791 (the "'791 patent"), 6,928,442 (the "'442 patent"),

16   7,802,310 (the "'310 patent"), 7,945,544 (the "'544 patent"), and 8,099,420 (the "'420 patent")

17   (collectively, "patents-in-suit" or "True Name patents"). *See, e.g.*, *PersonalWeb Technologies LLC*

18   *et al v. Airbnb, Inc.*, Case No. 18-cv-00149-BLF (N.D. Cal.), ECF No. 1 ¶ 1.[2] All five patents-in-

19   suit share a specification and each claims priority to a patent filed on April 11, 1995. All of the

20   patents-in-suit have expired and PersonalWeb's allegations are directed to the time period prior to

21   their expiration. *See e.g.*, *PersonalWeb Technologies, LLC et al v. Twitch Interactive, Inc.*, Case

22   No. 5:18-cv-05619 (N.D. Cal.) (the "Twitch case"), ECF 1 ¶ 18.

23   According to the shared specification of the True Name patents, the goal of the invention

24   was to solve a problem with the way prior art computer networks identified data in their systems

25   because there was "no direct relationship between the data names" and the contents of the data item.

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27   _____

[1] This Motion seeks a fee award against PersonalWeb and not Level 3, the Co-Plaintiff. ECF 630.

[2] PersonalWeb later dropped the '791 patent from its complaints against the customers in the

1   '310 patent col. 2, ll. 39-43. The patents purport to solve that problem by claiming a method of

2   naming a computer file with a "substantially unique" identifier created from the contents of the file

3   (*i.e.*, True Name). *Id.* col. 6, ll. 20-24. The summary of the invention describes multiple uses for

4   these True Names, including (1) to avoid keeping multiple copies of a given data file, regardless of

5   how files are otherwise named; (2) to avoid copying a data file from a remote location when a local

6   copy is already available; (3) to access files by data name without reference to file structures; (4) to

7   maintain consistency in a cache of data items and allow corresponding directories on disconnected

8   computers to be resynchronized with one another; (5) to confirm whether a user has a particular

9   piece of data according to its content, independent of the name, date, or other properties of the data

10   item; (6) to verify that data retrieved from a remote location is the intended data; and (7) to prove

11   and track possession of a specific data item for purposes of legal verification. *See id.* col. 4, ll. 1–

12   52. The patents-in-suit are directed to various specific aspects of this system.

13   Shortly after PersonalWeb filed the initial lawsuits against Amazon's customers, Amazon

14   intervened and undertook the defense of its customers. In addition, Amazon filed its own lawsuit

15   against PersonalWeb, seeking an injunction against further litigation against its customers and

16   declarations that PersonalWeb's claims against its customers are barred and that, if not barred,

17   Amazon's technology does not infringe the asserted patents. *Amazon.com, Inc. et al v. Personal*

18   *Web Technologies, LLC et al*, 18-5:18-cv-00767-BLF (N.D. Cal. Filed February 5, 2018) (the "DJ

19   Action"), ECF 62. PersonalWeb counterclaimed for infringement against Amazon. DJ Action, ECF

20   62; 71.[3]

21   PersonalWeb sought to centralize all the customer cases and Amazon's Declaratory

22   Judgment Action in an MDL. ECF 592-14 at 6-7 (*In re PersonalWeb Techs., LLC & Level 3*

23   *Commc'ns, LLC Patent Litig.*, MDL No. 2834 ("MDL Action"), Dkts. 1-1, 133). On June 7, 2018,

24   the Judicial Panel on Multidistrict Litigation (the "MDL Panel") consolidated the customer cases

25

26   [3] Amazon includes the '544 patent and the '791 patent in its complaint in the DJ Action. DJ Compl.

27   at 18. PersonalWeb, however, did not allege infringement of the '791 patent in its counterclaim
against Amazon. ECF No. 257. And PersonalWeb dropped the '544 patent from its counterclaim
against Amazon on October 16, 2018, DJ Action, ECF 71.

1   and the Amazon DJ Action in this MDL proceeding and assigned the consolidated cases to this

2   Court. ECF 1.

3   To promote judicial efficiency and based on input from the parties, including PersonalWeb's

4   identification of Twitch as a party charged with infringement under all four of its theories and

5   Twitch's agreement (ECF 96-1 at 2), the Court selected the Twitch case as the representative

6   customer action to proceed in parallel with the Declaratory Judgment action and stayed all other

7   customer cases pending resolution of those two cases. ECF 313. PersonalWeb asserted claims

8   against Twitch on four of the five patents (the '442 patent, the '310 patent, the '420 patent, and the

9   '544 patent). ECF 198.

10   On October 29, 2018, PersonalWeb served its infringement contentions accusing the use of

11   Amazon's S3 and CloudFront. *See e.g.,* ECF 315-13. Amazon moved for summary judgment in its

12   Declaratory Judgment Action and in the Twitch case, on the ground that in light of the with-

13   prejudice dismissal of PersonalWeb's action against Amazon in the Texas Action, PersonalWeb

14   was barred from suing Amazon or its customers for infringement based on Amazon's S3 system.

15   *Kessler* Motion, ECF 315. On March 13, 2019, the Court granted Amazon's motion in part. *Kessler*

16   Order, ECF 394. The Court held that claim preclusion barred PersonalWeb's claims of infringement

17   relating to S3 occurring prior to the final judgment in the Texas Action, and that the *Kessler* doctrine,

18   first adopted by the Supreme Court in *Kessler v. Eldred,* 206 U.S. 285, 27 (1907), barred

19   PersonalWeb's claims of infringement relating to S3 after the final judgment in the Texas action.

20   *Id.* The Federal Circuit affirmed. *In re PersonalWeb Techs. LLC*, 961 F.3d 1365 (Fed. Cir. 2020).

21   PersonalWeb's claims relating to the use of CloudFront remained.

22   On August 16, 2019, the Court issued its claim construction order. Claim Construction

23   Order, ECF 485. Relevant to this Motion, the Court construed the claim term "unauthorized or

24   unlicensed" as "not compliant with a valid license" and the claim term "authorization" as "a valid

25   license." *Id.* at 12, 33. Shortly after the Court issued the Claim Construction Order, Counsel for

26   Amazon/Twitch reached out to PersonalWeb's counsel because Amazon/Twitch believed that

27   PersonalWeb had no viable patent infringement theories in light of the Court's constructions. ECF

1   "valid/invalid rights to content" and that it intended to apply that understanding to its infringement

2   analysis.   *Id.* at 1-2. Over Amazon/Twitch's strong objection and threats of sanctions,

3   PersonalWeb's expert did apply that understanding to his infringement analysis in his report, which

4   PersonalWeb served on Twitch on August 23, 2019.   *Id.* at 2.   The following business day,

5   PersonalWeb filed a motion seeking clarification of the Court's construction – specifically, whether

6   the word "license" in the Court's construction "meant something different than 'valid rights to

7   content' (i.e., a narrower/license instrument-type of meaning)." *Id.* The Court rejected

8   PersonalWeb's understanding of its Claim Construction Order and determined that the word

9   "license" does not require clarification or supplementation. ECF 537.

10   Shortly thereafter, PersonalWeb moved for Entry of Judgment of Non-Infringement. ECF

11   538. PersonalWeb argued that the Court's Claim Construction Order has "a dispositive effect on

12   the claims and defenses at issue in this case, and as a consequence thereof, PersonalWeb cannot

13   meet its burden of proving infringement." *Id.* at 1-2. Amazon opposed that motion because it would

14   not have resolved the claims against Twitch and because Amazon and Twitch sought findings of

15   non-infringement based on additional grounds independent of the Court's claim construction. *See*

16   ECF 547. The Court agreed with Amazon and denied PersonalWeb's motion for Entry of Judgment.

17   ECF 559.

18   Two days after PersonalWeb filed its Motion for Entry of Judgment, in accordance with the

19   case schedule, Amazon and Twitch moved for summary judgment of non-infringement. ECF 541,

20   542. Amazon and Twitch moved for summary judgment based on the Court's claim construction

21   but also on additional grounds, independent of claim construction. The Court granted summary

22   judgment for Amazon and Twitch on all claims finding: (1) no determination of compliance with a

23   valid license ('310 and '420 patents); (2) no "permitting/allowing content to be provided or

24   accessed" ('442, '310 and '420 patents); (3) no "determining whether a copy of the data file is

25   present using the name" ('442 patent); and (4) no "comparison to a plurality of identifiers" ('420

26   patent). Summary Judgment Order, ECF 578. The Court also granted summary judgment of non-

27   infringement of '544 and '791 patents as to Amazon's Declaratory Judgment Action because

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