United States District Court Northern District of California 1

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# UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF CALIFORNIA SAN JOSE DIVISION

IN RE: PERSONALWEB TECHNOLOGIES, LLC ET AL., PATENT LITIGATION

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

**Plaintiffs** 

v.

PERSONALWEB TECHNOLOGIES, LLC and LEVEL 3 COMMUNICATIONS, LLC,

Defendants,

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

Plaintiffs,

v.

TWITCH INTERACTIVE, INC.,

Defendant.

Case No. <u>18-md-02834-BLF</u>

ORDER GRANTING IN PART AND DENYING IN PART MOTION FOR ADDITIONAL ATTORNEYS' FEES

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

Case No.: 5:18-cv-05619-BLF

On March 2, 2021, the Court issued its Order Granting in Part and Denying in Part Motion for Attorneys' Fees and Costs. ECF 648. On March 11, 2021, Defendants Amazon.com, Inc., Amazon Web Services, Inc., and Twitch Interactive filed a supplemental declaration in support of their request for additional attorneys' fees incurred between February 2020 and February 2021. ECF 649. Defendants seek a total of \$694,147.86 in attorneys' fees for 1117.4 hours of work in five different categories along with \$11,120.97 in costs. *Id.* ¶¶ 13-14, Exhs. B-C. Plaintiff PersonalWeb Technologies, LLC opposes this request as to three fee categories. ECF 654. The Court has already



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pre-dating February 2020. See ECF 559; 648. The Court now turns to Defendants' supplemental request and Plaintiff's opposition.

## A. Summary Judgment on Non-Infringement

Although Defendants identify \$4,460.42 in fees for 7.7 hours of work in this category, they clearly state that they are not seeking supplemental fees for this task. ECF 649 ¶11(a). PersonalWeb's request to lower the recoverable amount in this category is unnecessary.

## B. Federal Circuit Appeal on Claim Construction and Non-Infringement

Defendants request \$106,291.43 in fees for 169.7 hours of work related to Plaintiff's appeal of the Court's February 3, 2020 order. ECF 649 ¶ 11(d) (fee request); ECF 578 (order); ECF 587 (notice of appeal). In that order, the Court denied Amazon's motion for judgment on the pleadings for lack of standing; granted Amazon's motion for summary judgment of non-infringement; denied Amazon's motion for summary judgment on the alternative ground that PersonalWeb lacked standing; granted Twitch's motion for summary judgment of non-infringement; and denied Twitch's motion to exclude the testimony of Erik de la Iglesia as moot. ECF 578 at 2. Plaintiff now argues that the Court should deny all fees in this category as Plaintiff's misconduct is not a "but for" cause of this appeal. ECF 654 at 2-3.

In their initial fee motion, Defendants requested fees related to claim construction and summary judgment for non-infringement. The Court reduced both requests by 25%. ECF 648 at 18-19, 21. However, the Court's decision on claim construction was based in part on Plaintiff's attempts to work around the Court's claim construction ruling—misconduct that would not be implicated in the pending Federal Circuit appeal. See also ECF 636 at 14 ("PersonalWeb made reasonable, albeit unsuccessful, arguments that the terms authorized/unauthorized or licensed/unlicensed should be given their plain and ordinary meaning."). And its decision on summary judgment for noninfringement was based on the agreement of the parties. More importantly, it is possible Plaintiff will win on appeal. The Court declines at this juncture to award Defendants fees related to the appeal. See Phigenix, Inc. v. Genentech Inc., No. 15-CV-01238-BLF, 2019 WL 2579260, at \*18 (N.D. Cal. June 24, 2019). This request is dismissed without prejudice to Defendants' moving again



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by \$106,291.43 in fees and 169.7 hours.

#### C. Case Management

Defendants request \$63,978.92 in fees for 83.1 hours of work. ECF 649 ¶ 11(e). Plaintiff requests that the Court reduce these fees by 25%. ECF 654 at 4. The Court agrees with Plaintiff that a 25% reduction is appropriate here. This Court found that a 25% reduction was warranted when considering Defendants' original request for case management fees:

> Amazon's request requires a haircut. Although it is particularly difficult to attribute case management activities to the particular misconduct present in this case, PersonalWeb's ever-shifting infringement theories—S3, Ruby on Rails, the late emergence of CloudFront and complete abandonment of Ruby on Rails, and, finally, PersonalWeb's extraordinary declaration that Twitch was not a representative customer case only fifteen months after insisting just the opposite-support Amazon's need for significant case management efforts. Thus, the Court will reduce case management fees by 25% to reflect a fair reduction related to otherwise necessary activities.

ECF 648 at 12. Nothing in Defendants' request counsels that the Court reach a different outcome now. Even accepting that later phases of the litigation were less infected by Plaintiff's shifting infringement theories, a review of billing entries reveals that Defendants request fees for time unrelated to Plaintiff's misconduct. See, e.g., ECF 649, Exh. A at 33, 55 (entries related to Plaintiff's motion for protective order, Defendants' fee request). As such, the Court reduces the lodestar by \$15,994.73 in fees and 20.78 hours. Defendants are entitled to \$47,984.19 in fees for 62.33 hours of work in this category.

#### D. Other Fees and Costs Requested

Defendants request reimbursement for additional fees in the amount \$98,019.07 incurred defending the appeal of the Claim Preclusion/Kessler Doctrine and \$425,958.45 incurred for presentation of the attorneys' fee motion. PersonalWeb does not contest the reasonableness of these amounts and the Court agrees that the request is reasonable in light of the work performed



### Case 5:18-md-02834-BLF Document 656 Filed 04/19/21 Page 4 of 4

United States District Court Northern District of California and the skill required. The requested amounts will be granted. Further, Defendants' request for \$11,120.97 in non-taxable costs is unopposed and approved.

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For the foregoing reasons, Defendants' motion for additional attorneys' fees is GRANTED IN PART AND DENIED IN PART. The Court finds that Defendants are entitled to \$571,961.71 in fees for 926.92 hours of work and \$11,120.97 in non-taxable costs.

#### IT IS SO ORDERED.

Dated: April 19, 2021

BETH LABSON FREEMAN United States District Judge

