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| | | | |
| Fenwick & West LLP Attorneys at Law | 1 | J. DAVID HADDEN (CSB No. 176148) dhadden@fenwick.com | |
| | 2 | SAINA S. SHAMILOV (CSB No. 215636) | |
| | 3 | sshamilov@fenwick.com MELANIE L. MAYER (<i>admitted pro hac vice</i>) mmayer@fenwick.com | |
| | 4 | TODD R. GREGORIAN (CSB No. 236096) tgregorian@fenwick.com | |
| | 5 | RAVI R. RANGANATH (CSB No. 272981) rranganath@fenwick.com | |
| | 6 | CHRISTOPHER S. LAVIN (CSB No. 301702) clavin@fenwick.com | |
| | 7 | FENWICK & WEST LLP Silicon Valley Center | |
| | 8 | 801 California Street Mountain View, CA 94041 | |
| | 9 | Telephone: (650) 988.8500 Facsimile: (650) 938.5200 | |
| | 10 | Counsel for AMAZON.COM, INC., | |
| | 11 | AMAZON WEB SERVICES INC., and TWITCH INTERACTIVE, INC. | |
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| | 13 | UNITED STATES DISTRICT COURT | |
| | 14 | NORTHERN DISTRICT OF CALIFORNIA | |
| | 15 | SAN JOSE DIVISION | |
| | 16 | IN RE: PERSONALWEB TECHNOLOGIES, LLC ET AL., PATENT LITIGATION, | Case No. 5:18-md-02834-BLF |
| | 17 | AMAZON.COM, INC., and AMAZON WEB | Case No. 5:18-cv-00767-BLF |
| | 18 | SERVICES, INC., | Case No. 5:18-cv-05619-BLF |
| | 19 | Plaintiffs, v. | REPLY OF AMAZON.COM, INC., AMAZON WEB SERVICES, INC., AND |
| | 20 | PERSONALWEB TECHNOLOGIES, LLC and LEVEL 3 COMMUNICATIONS, LLC, | TWITCH INTERACTIVE, INC. IN SUPPORT OF FURTHER |
| | 21 | Defendants. | SUPPLEMENTAL FEES REQUEST |
| | 22 23 | DEDSONALWED TECHNOLOGIES, LLC and | Date: December 7, 2023 Time: 9:00 a.m. |
| | 23 24 | PERSONALWEB TECHNOLOGIES, LLC and LEVEL 3 COMMUNICATIONS, LLC, | Place: Courtroom 3, 5th Floor Judge: Honorable Beth Labson Freeman |
| | 24 | Plaintiffs, v. | |
| | 25 | v. TWITCH INTERACTIVE, INC., | |
| | 27 | Defendant. | |
| | 28 | | |
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The Court should award Amazon its full revised requested fees for supplemental work
 performed in this case. That amount now reflects more than \$1.1 million in voluntary reductions
 from the total Amazon incurred defending the Court's rulings on appeal and addressing the
 maneuvers PersonalWeb and its counsel deployed to evade the judgment. (Dkt. 880 ("Mot.");
 Dkt. 893.)

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1.

The Court should award the fees Amazon incurred defending multiple appeals.

Amazon's motion sought fees incurred with respect to PersonalWeb's appeal of the 7 non-infringement ruling and the petition for certiorari concerning the *Kessler* ruling. (Mot. at 3-5.) 8 Although PersonalWeb asks the Court to deny this request in full, it did not include argument 9 concerning the non-infringement appeal, and thus the Court should award those fees. As to Kessler, 10Amazon argued that the Court *already awarded* earlier appellate fees on this issue. (*Id.* at 4.) In 11 response, PersonalWeb argues the Court should nonetheless deny recovery because its petition for 12 certiorari was not "objectively baseless." (Dkt. 889-1 at 9.) But that is not the standard: an appeal 13 need not be "independently exceptional" to justify an award of appellate fees under Section 285. 14 See Action Star Enter. Co. v. KaiJet Tech. Int'l, Ltd., No. 12-cv-08074 BRO (MRWX), 2015 WL 15 16 12752877, at *3 (C.D. Cal. June 24, 2015). PersonalWeb's Kessler positions were part of the reason the Court found the case exceptional, making those fees recoverable. Moreover, 17 PersonalWeb's cert petition was wasteful—it could never have made any practical difference for 18 the outcome of this case. Even if PersonalWeb had achieved a *complete reversal* of the Kessler 19 ruling at the Supreme Court, that would not undo either this Court's separate judgment of 20 noninfringement or its exceptional case ruling. The Court should award Amazon the full amount 21 requested for the work on those appeals. 22

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2. The Court should award fees that Amazon incurred obtaining the fee award.

PersonalWeb argues that the Court should exclude fees incurred in the Federal Circuit appeal of the original fee award as premature because that appeal is still pending. (Dkt. 889-1 at 3.) The Circuit took the appeal under submission in June 2023. To the extent there is still no ruling by the time of the December 2023 hearing on this motion, Amazon requests that the Court nevertheless award the fees rather than defer, to avoid further proceedings concerning attorney fees. 1

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3.

The Court should award fees that Amazon incurred in post-judgment proceedings.

The remainder of PersonalWeb's arguments concern fees incurred in other post-judgment proceedings. These include post-judgment discovery and attempts to seek compliance with the Court's orders, work to address both the attempted withdrawal of PersonalWeb's counsel and PersonalWeb's other efforts to evade the judgment by placing itself in a state court receivership, and asserting that in federal court as a bar to collection.

The requested fees are authorized by statute. PersonalWeb's first argument is that §285 does not permit recovery of fees for any proceedings to enforce a judgment in a patent infringement case. There is no authority that supports this position. The Federal Circuit has instructed that a case must be viewed as "an inclusive whole," and has thus authorized "awarding fees for the entire case, including any subsequent appeals." Ameranth, Inc. v. Domino's Pizza, Inc., No. 12-cv-0733 DMS (WVG), 2021 WL 2550057, at *1 (S.D. Cal. June 21, 2021) (citations and quotations omitted). The statute authorizes even the recovery of fees incurred seeking attorney fees, a nonpatent issue that occurs post-judgment. (See Mot. at 5.) And courts have expressly held that fees incurred to enforce a judgment or settlement of a patent case are recoverable under §285. Schmidt v. Zazzara, 544 F.2d 412, 413-15 (9th Cir. 1976) (allowing recovery under §285 of attorney fees incurred enforcing a consent judgment); Fitness IQ, LLC v. TV Prod. USA, Inc., No. 10-cv-2584 WMC, 2012 WL 13175920, at *5 (S.D. Cal. Sept. 14, 2012) (same as to enforcement of settlement agreement); j2 Glob. Inc. v. Fax87, No. 13-cv-05353 DDP (AJWX), 2016 WL 7260588, at *5 (C.D. Cal. Dec. 15, 2016) (allowing plaintiff to recover fees "for any further litigation" if a default judgment was violated); cf. Action Star, 2015 WL 12752877, at *3 (awarding fees following a post-judgment escrow dispute). PersonalWeb cites Mathis v. Spears, 857 F.2d 749, 755 (Fed. Cir. 1988)—a case decided long before Octane Fitness and Therasense announced the current §285 standards. But even Mathis held only that any prevailing party-whether a patentee or an accused infringer—may recover under §285. It did not interpret an award for an entire "case" as excluding judgment enforcement; to the contrary, the court there stated that "it would be inconsistent with the

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intent" of the statute "to limit [the] prevailing party [] to something less than the fees and expenses
 to which it was subjected" by its opponent. *Id.* at 758.

PersonalWeb's next argument is that California Code of Civil Procedure §685.040 does not 3 apply in federal court or allow recovery here. (Dkt. 889-1 at 4.) But to the extent the Court accepts 4 PersonalWeb's argument that §285 does not apply, then §685.040 would, and it too, authorizes an 5 award. See Carnes v. Zamani, 488 F.3d 1057, 1060 (9th Cir. 2007). The section entitles judgment 6 creditors to "reasonable and necessary costs of enforcing a judgment," and those include attorney 7 fees incurred to enforce a judgment that, as here, is based on a federal statute that authorizes fees. 8 Savta v. Martin, No. 16-cv-03775-LB, 2022 WL 267405, at *2 (N.D. Cal. Jan. 28, 2022), rev'd on 9 other grounds, 2023 WL 5447676 (9th Cir. Aug. 24, 2023); see also Erickson v. Sympathy for the 10 Rec. Indus. ex rel. Mermis, No. 10-cv-00636 HRL, 2011 WL 1211533, at *2 (N.D. Cal. Mar. 30, 11 2011)) (permitting the recovery of post-judgment attorney fees under §685.040 where the 12 underlying judgment was based on violations of the Copyright Act, which provides for the recovery 13 of reasonable attorney's fees to a prevailing party as part of the costs).¹ 14

The award should include the fees incurred in the related state court actions. Under 15 either statute, Amazon is entitled to recover for a parallel proceeding to enforce the judgment. §285 16 authorizes recovery of fees incurred in closely related proceedings, see Mot. at 7-8 (discussing 17 authorities), and §685.040 authorizes fees incurred in a separate action to enforce a judgment, as 18 well as "defending the validity of the judgment against challenge in a separately filed attack." 19 Globalist Internet Techs., Inc. v. Reda, 167 Cal. App. 4th 1267, 1274–75 (2008). Both standards 20 are met here. PersonalWeb's principals filed the state court actions specifically to undermine the 21 Court's judgment and prevent it from ever being enforced. (See Mot.; Dkt. 871-7; Gregorian Reply 22 Decl. ¶[3-5.) PersonalWeb asserted the state court receivership and injunction in this case as a 23

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¹ PersonalWeb cites *Bass v. First Pac. Networks. Inc.*, 219 F.3d 1052 (9th Cir. 2000), but that
case is irrelevant. *Bass* asked whether federal or state law governed fee recovery in a Rule 65.1
surety proceeding where the district court was exercising supplemental jurisdiction over state law
claims. The case did not address either Rule 69(a) or §685.040 *at all. See id.*

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reason why it did not have to pay the judgment or obey the Court's discovery orders. And PersonalWeb's principals filed a declaratory judgment action on the alter ego issue in part to ensure that this Court would not entertain a post-judgment motion on that issue. (Gregorian Reply Decl. ¶6.) Neither state court action should ever have been filed, but both are intertwined with this case.

PersonalWeb also contends that fee recovery should be denied because Amazon has not yet 5 succeeded in enforcing the judgment. (Dkt. 889-1 at 9:28.) This much is true: PersonalWeb has 6 not paid any of the \$5.4 million it owes, and its principals have chosen instead to multiply the state court proceedings (and have been sanctioned separately for it by the Superior Court (see Dkt. 893-8 1)). But that is a reason to *award* fees, not to deny them. Moreover, whether Amazon won every 9 individual motion-though it has prevailed on most, allowing it to uncover PersonalWeb's 10principals' fraud on the Superior Court—is also not the standard for recovery.² Amazon prevailed in the case, which authorizes it to seek fees. See Erickson, 2011 WL 1211533, at *2; see also 12 Greyhound Fin. Corp. v. TSM Fin. Grp., Inc., No. 92-cv-3750, 1995 WL 562068, at *4 (N.D. III. 13 Sept. 21, 1995) (awarding plaintiff fees for a separate unresolved alter ego action to collect the 14 judgment because plaintiff "had ample reason the believe that ordinary collection procedures would 15 be ineffective"). 16

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4. The rates of Amazon's counsel are reasonable.

Finally, PersonalWeb contends that Amazon's counsel's rates are unreasonable for the post-18 judgment work. (See Dkt. 889-1 at 10.) As explained in its moving papers, the billing for 19 Amazon's counsel is commensurate with the prevailing billing rates for similar work. Moreover, 20 Amazon has requested *substantially* reduced rates for most of its counsel than it actually incurred. 21 (See Mot. at 10.) By comparison, PersonalWeb's principals have hired Kirkland & Ellis LLP to 22 represent some of their investment entities in resisting the judgment in all three pending actions. 23 While these attorneys have refused to disclose their billing rates, the available evidence suggests 24

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² To support this argument, PersonalWeb points to a motion to compel documents from its 26 27 privilege log. (Dkt. 889-1 at 9.) But even there, the Court denied the motion to compel without 28 prejudice to renewal later. (Dkt. 877 at 5.)

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