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12	UNITED STATES DISTRICT COURT				
13	NORTHERN DISTRICT OF CALIFORNIA				
14	SAN FRANCISCO DIVISION				
15	TWITTER, INC.,	Case No. 21-cv-09773-JD			
16 17	Plaintiff,	PLAINTIFF TWITTER, INC.'S REPLY IN SUPPORT OF MOTION FOR LEAVE TO FILE A FIRST AMENDED			
18	V.	COMPLAINT			
19	VOIP-PAL.COM, INC.,	Date: Thursday, October 20, 2022 Time: 10:00am PDT			
20	Defendant.	Location: Courtroom 11, 19 th Floor Judge: James Donato			
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I. INTRODUCTION

The court "should freely give leave when justice so requires" (Fed. R. Civ. P. 15(a)) or "on just terms" (Fed. R. Civ. P. 15(d)). Twitter seeks leave to amend in good faith and in the early stages of this case. There is no undue delay, and the First Amended Complaint would not prejudice Defendant. Accordingly, Twitter respectfully requests this Court grant Twitter leave to file its proposed First Amended Complaint.

VoIP-Pal's Opposition presents no reasons to deny Twitter's Motion. VoIP-Pal's statements that it does not intend to enforce the '234 and '721 patents and that it is willing to stipulate to noninfringement do not eliminate an actual controversy between the parties. VoIP-Pal's argument that Twitter's proposed First Amended Complaint is a supplemental complaint that should be evaluated under Federal Rule of Civil Procedure 15(d) instead of Rule 15(a) is of no moment because the legal standards for those two provisions are the same. VoIP-Pal would not suffer undue prejudice because an actual controversy still exists between the parties, and VoIP-Pal will have to litigate the validity of the '234 and '721 patents anyway in VoIP-Pal's lawsuits against Meta and Google. Twitter has not unduly delayed in seeking to amend its Complaint, as the present Motion was filed at an early stage in the case. Finally, in view of the lack of merit in VoIP-Pal's substantive positions, VoIP-Pal resorts to making a false and meritless accusation that Twitter violated this District's ADR Rules in a prior action.

VoIP-Pal's Answer and Opposition reveal that an actual controversy continues to exist between Twitter and VoIP-Pal concerning the '234 and '721 patents. VoIP-Pal's real goal is to extricate itself from the present action in this District while leaving open the possibility of asserting its patents against Twitter in a different forum and/or at a different time. Under these circumstances, it is especially important to allow Twitter to file its proposed First Amended Complaint to present claims for declaratory judgment of invalidity.

II. STATEMENT OF RELEVANT FACTS IN RESPONSE TO OPPOSITION

The first declaratory judgment action that Twitter filed against VoIP-Pal involved VoIP-Pal's U.S. Patent 10,218,606 (the "'606 patent"). *Twitter, Inc. v. VoIP-Pal.com, Inc.*, Case

No. 5:20-cv-2397-LHK (N.D. Cal.) ("Twitter I"). In that action, Twitter and VoIP-Pal participated in two settlement conferences pursuant to this District's ADR Local Rules. Those settlement conferences did not result in settlement.

The first settlement conference in *Twitter I* occurred in April 2021. Dkt. No. 1 at ¶ 61. The day after the first settlement conference, Twitter filed a declaratory judgment action against VoIP-Pal concerning U.S. Patent 9,935,872 (the "'872 patent"). *Twitter, Inc. v. VoIP-Pal.com, Inc.*, Case No. 3:21-cv-02769-LHK ("*Twitter II*"). *Id.* at ¶ 65. Twitter's complaint in the *Twitter II* action disclosed some aspects of the settlement discussions between the parties, which VoIP-Pal incorrectly asserted were confidential. *Twitter I*, Dkt. Nos. 72, 73.

VoIP-Pal filed a motion accusing Twitter of violating the protective order in *Twitter I* based on that assertion. *Id.*, Dkt No. 72. The court denied the motion and ruled that Twitter did not violate the protective order. *Id.*, Dkt. No. 73. The court found that the relevant settlement discussions were not confidential and were not subject to the protective order. *Id.*

Similarly, one party in *Twitter I* filed an ADR complaint against the other party accusing the other party of violating the confidentiality provisions of ADR L.R. 7-4(a) and engaging in a settlement conference in bad faith. *Id.*, Dkt. No. 74. The court found that the other party did not violate ADR L.R. 7-4(a) or engage in the settlement conference in bad faith. *Id.*

The second settlement conference in *Twitter I* occurred on November 17, 2021. Dkt. 1 at \P 20. Twitter filed the original Complaint in the present action on December 17, one month after the second settlement conference. Dkt. 1.

III. ARGUMENT

A. VoIP-Pal's Statements That It Does Not Intend To Enforce The Mobile Gateway Patents And That It Is Willing To Stipulate To Noninfringement Do Not Eliminate An Actual Controversy

This action is the third declaratory judgment action that Twitter has filed against VoIP-Pal. In each declaratory judgment action, VoIP-Pal has filed a motion to dismiss asserting a lack

¹ VoIP-Pal is currently asserting the '606 patent in litigation against other companies, including against Meta and Google in this District. *VoIP-Pal.com, Inc. v. Meta Platforms, Inc.*, Case No. 3:22-cv-04279, and *VoIP-Pal.com, Inc. v. Google, Inc.*, Case No. 3:22-cv-05419.



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