IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE

ACCELERATION BAY LLC,)
Plaintiff,)) C.A. No. 16-453 (RGA)
v.) PUBLIC VERSION
ACTIVISION BLIZZARD, INC.,)
Defendant.)

PLAINTIFF ACCELERATION BAY LLC'S ANSWERING BRIEF IN OPPOSITION TO DEFENDANT'S MOTION TO DISMISS AND IN SUPPORT OF ACCELERATION BAY'S CROSS-MOTION FOR ATTORNEYS' FEES AND SANCTIONS

OF COUNSEL:

Paul J. Andre Lisa Kobialka KRAMER LEVIN NAFTALIS & FRANKEL LLP 990 Marsh Road Menlo Park, CA 94025 (650) 752-1700

Aaron M. Frankel KRAMER LEVIN NAFTALIS & FRANKEL LLP 1177 Avenue of the Americas New York, NY 10036 (212) 715-9100

Dated: March 6, 2017

Public Version dated: March 17, 2017

1247358

Philip A. Rovner (#3215) Jonathan A. Choa (#5319) POTTER ANDERSON & CORROON LLP

Hercules Plaza P.O. Box 951 Wilmington, DE 19899 (302) 984-6000

provner@potteranderson.com jchoa@potteranderson.com

Attorneys for Plaintiff Acceleration Bay LLC



TABLE OF CONTENTS

I.	NAT	URE AND STAGE OF PROCEEDINGS	1
II.	SUMMARY OF THE ARGUMENT 1		
III.	STA	STATEMENT OF FACTS 3	
	A.	Acceleration Bay's Infringement Allegations	3
	В.	Acceleration Bay's Substantial Investigation Before Filing the 2015 Case	4
	C.	Acceleration Bay Refiled After Receiving Limited Discovery From Activision	5
	D.	Activision's Harassment and Attempts to Intimidate Acceleration Bay's CEO	7
IV.	ARG	ARGUMENT	
	A.	Acceleration Bay's Pre-Filing Investigation Was Reasonable	8
	B.	The Limited Discovery in the 2015 Case Confirms That Activision Infringes 1	l C
	C.	Activision's Additional Non-Infringement Theories Are Unsupported and Contradicted By the Record	15
	D.	Acceleration Bay Has Not Received Any Discovery on Destiny 1	8
	E.	The Court Should Sanction Activision For Filing This Baseless Motion	8
V	CON	CLUSION 2) (



TABLE OF AUTHORITIES

Pag
CASES
Burkhart v. Kinsley Bank, 852 F.2d 512 (10th Cir.1988)1
Chambers v. NASCO, Inc., 501 U.S. 32 (1991)
Cooter & Gell v. Hartmarx Corp., 496 U.S. 384 (1990)1
Greenberg v. Sala, 822 F.2d 882 (9th Cir. 1987)14
HBAC Matchmaker Media, Inc. v. CBS Interactive Inc., 13-428-SLR, D.I. 42 (D. Del. Nov. 18, 2013)
Patelco Credit Union v. Sahni, 262 F. 3d 897 (9th Cir. 2001)1
In re Prosser, 777 F.3d 154 (3d Cir. 2015)19
In re Prudential Ins. Co. Am. Sales Practice Litig., 278 F.3d 175 (3d Cir. 2002)1
<i>Q-Pharma, Inc. v. Andrew Jergens Co.</i> , 360 F.3d 1295 (Fed. Cir. 2004)
Safe-Strap Co. v. Koala Corp., 270 F. Supp. 2d 407 (S.D.N.Y. 2003)
W.L. Gore & Assocs., Inc. v. C.R. Bard, Inc., 11-515-LPS, 2017 WL 525669 (D. Del. Feb. 8, 2017)19
Walker Digital, LLC v. Google Inc., Civil Action No. 11-311-RGA, 2015 WL 5190685 (D. Del. Sept. 4, 2015)9, 10
STATUTES
28 U.S.C. § 192719
OTHER AUTHORITIES
Del. Rules of Professional Conduct 4.2



Fed. R. Civ. Proc. 5	20
Fed. R. Civ. Proc. 11	passim
Fed R Civ Proc 30	18



I. NATURE AND STAGE OF PROCEEDINGS

Activision's Rule 11 Motion is just another chapter in its vexatious approach to this litigation. In the predecessor case, Activision thwarted discovery multiple times, leading to the Special Master ordering it to make witnesses available for deposition. Then, after Acceleration Bay filed the instant action and asked that the first case be dismissed to address a standing issue, Activision filed an unsuccessful and unwarranted exceptional case motion asking this Court for a fee award. Meanwhile, despite telling this Court it was a prevailing party on the predecessor action, Activision filed an anticipatory declaratory judgment action in California in a failed attempt to move venue for this dispute. Now that its machinations have been thwarted and its motions denied, Activision filed the instant Motion as its latest attempt to harass Acceleration Bay and its principal and delay the progression of this case.

II. SUMMARY OF THE ARGUMENT

Activision's Motion is completely baseless, and the Court should sanction Activision for filing it. Indeed, the Special Master, after evaluating extensive briefing, including an expert declaration, and a full day hearing, considered and rejected the very arguments Activision recycles in its Motion — a decision Activision did not challenge.

Acceleration Bay and its counsel did not file this action lightly. Before filing, counsel conducted a careful pre-filing investigation that included: (i) reviewing the asserted patents and their file histories, (ii) conducting an extensive search of publicly available information on the accused products and their functionality, (iii) comparing the claims, construed in light of the intrinsic record, with the accused products; (iv) reviewing technical and academic literature on the games and multiplayer networks, (v) testing and playing the games to verify their relevant functionality, (vi) engaging Dr. Nenad Medvidović, a leading expert in the field of software and distributed systems architecture, who conducted an independent investigation and concluded that Activision's accused products infringe Acceleration Bay's patents and (vii) preparing a detailed pre-filing memorandum, which can be made available to the Court for *in camera* inspection, that set forth the analysis of Activision's infringement.



DOCKET

Explore Litigation Insights



Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time** alerts and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.

