UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

UNILOC 2017 LLC, Plaintiff, v. AKAMAI TECHNOLOGIES, INC., Defendant.	Civil Action No. 1:19-cv-11276-RGS

UNILOC'S OPPOSITION TO MOTION FOR JUDGMENT ON THE PLEADINGS

REQUEST FOR ORAL ARGUMENT.

Uniloc[1] requests oral argument.

OPPOSITION TO MOTION

Uniloc opposes the motion, for the reasons discussed below. Uniloc also submits the accompanying Declaration of James J. Foster to provide certain background facts and to respond to *ad hominem* attacks in Akamai's motion.

Akamai Technologies, Inc. ("Akamai") claims the level of business it did with International Business Machines (IBM) qualifies it as an "IBM Strategic Partner" and that status requires this action be dismissed. That argument, however, has factual and legal infirmities.

I. Akamai does not have a license to the patents-in-suit.

An agreement between IBM and Uniloc (Coviello Decl., Ex.1) ("Agreement") assigned the patents-in-suit to Uniloc. As a result, Uniloc has the exclusive right to bring suit on the patents and the right to license the patents to anyone it chooses, including Akamai. But the

[1] Uniloc 2017 obtained the patents in May 2018 from Uniloc Luxembourg S.A. This Opposition uses "Uniloc" collectively to refer to whichever entity owned the rights at the relevant time.

Agreement also [redacted]" Ex. 1, Section 2.1(f). The Agreement did not i[redacted] To practice the patents without infringing, an [redacted].

As of this writing, Akamai has not obtained a license, and thus remains liable for any infringement.

Akamai tries to sneak around this inconvenient fact by referring to itself as a [redacted]. Mot. at 6-8. But the Agreement uses the capitalized [redacted] Ex. 1, Section 5.

II. Because Akamai does not have a license, it may be sued for infringement by Uniloc.

Akamai implies its status allows it to infringe the patents with impunity. Uniloc does not agree nor, we suspect, does IBM.

To carry on activity covered by the claims of the patents, Akamai needs to obtain a license; it does not have one. Akamai may, therefore, be sued for its infringement. To avoid suit, Akamai would need to obtain a license from either Uniloc or IBM, in return for appropriate consideration. It has not done so.

Akamai argues Uniloc has neither a "right to sue" nor a "valid claim for relief." Mot. at 2. But a parsing of its argument reveals an unfamiliarity with basic contract doctrine.

Akamai first cites a provision of the Agreement that bars Uniloc from "[redacted]

[redacted]" Ex. 1, Section 2.4. Mot. at 6-7. But Akamai does not identify any contract or contractual relationship this action interferes with.

Akamai next cites a provision of the Agreement that mentions [redacted]

[redacted]" Ex. 1, Section 4.3. Mot. at 7. At worst, this provision would discourage Uniloc from suing, not bar it from doing so. But Akamai's interpretation of this provision is in doubt, because the Federal Circuit has ruled, with respect to this very section of this Agreement, that the ostensible third-party beneficiary (in this case, Akamai) must show "that IBM, which is not a party to this litigation, considers Uniloc to be in breach or has asserted a right to sublicense and release Movants from liability relating to the patents at issue." *Uniloc USA, Inc. v. ADP, LLC*, 772 F. App'x 890, 895 (Fed. Cir. 2019). Akamai's motion shows neither.

In a letter Akamai sent to Uniloc, Coviello Decl. Ex. 4, Akamai asserted Uniloc did not have standing to sue, because IBM also had a right to license the patents. Uniloc responded:

> Your suggestion Uniloc 2017 does not have standing to maintain the present action suggests you have not fully digested the law. As a professional courtesy, let me direct you to the Federal Circuit's May 30 decision in *Lone Star Silicon Innovations LLC v. Nanya Technology Corporation*.

Foster Decl., Ex. C. Akamai must have then read the *Lone Star* opinion, 925 F.3d 1225 (Fed Cir. 2019), because Akamai does not argue in its motion that Uniloc lacks standing or that this Court lacks subject matter jurisdiction. Uniloc will therefore forgo briefing those issues.

But IBM's nonexclusive right to license Akamai might raise an issue, under Rule 19, as to whether IBM needs to be joined as an involuntary plaintiff. *See Lone Star*, 925 F.3d at 1236-39. But, for the reasons discussed below, this Court need not decide that issue at this time.

III. Uniloc has requested Akamai to stipulate to dismissal.

It does not make business sense for Uniloc 2017 to continue this action if IBM could terminate it at any time by licensing Akamai. So when Akamai notified Uniloc on September 6 of its putative status as an IBM Strategic Partner, within days Uniloc requested Akamai to stipulate to dismiss the action. Foster Decl. ¶ 19. But Akamai refused, insisting a dismissal must be with prejudice. But that would allow Akamai to infringe the patents at will.

If this Court dismissed this action because Uniloc lacked sufficient rights in the patents, that dismissal would not go to the merits and thus would not ordinarily be with prejudice. The Federal Circuit has held that that type of issue can be corrected and, when corrected, a party can file a new action on the patent, despite a previous dismissal. *Univ. of Pittsburgh v. Varian Medical Systems, Inc.*, 569 F.3d 1328, 1333 (Fed. Cir. 2009).

In the particular situation here, if IBM and Uniloc were to resolve the contractual issue, the action could continue. But as of this writing, that has not yet happened. Which is why Uniloc has requested Akamai to stipulate to dismiss the action.

Akamai cannot rely on the two-dismissal rule, Rule 41(a)(1)(B). Mot. at 15-17. That rule only applies if the *second* dismissal is by "notice," under Rule 41(a)(1)(A)(i). Here, the dismissal of the second action was by stipulation, not notice. And any voluntary dismissal of this action, if it occurs, would also be by stipulation, not notice.

IV. Akamai's *ad hominem* attacks.

As discussed above, if this action is dismissed it should be without prejudice, because the Court has not reached the merits. But to persuade the Court to sanction Uniloc 2017, by imposing a with-prejudice dismissal, Akamai launches *ad hominem* attacks against counsel. The accompanying declaration of James J. Foster responds to those attacks.

The attacks have several themes. One is that counsel recklessly filed suit against Akamai without investigating whether Akamai qualified as an IBM Strategic Partner (and thus could be granted a license by IBM). Mot. at 2-3. But the opposite is true.

Because it would not make business sense for Uniloc to sue an entity that could be granted a license by IBM, its practice had been to [redacted]. Foster Decl., ¶ 5. It followed that course with respect to Akamai, and, on February 14, 2017, IBM reported in writing [redacted] *Id*. ¶ 6-7, Ex. A. Counsel for Akamai were provided that document on September 12. *Id*., ¶20.

Although counsel for Akamai thus knew there *had* been an investigation by counsel and [redacted], *their motion papers omitted any mention of it. Akamai should have disclosed this fact; it did not.*

A second theme of the *ad hominem* attacks is the allegation counsel "improperly failed to disclose the agreement to Akamai."

As laid out in the Foster declaration, ¶ ¶ 9-15, the two previous actions were short-lived – for the reasons discussed – and thus neither reached the discovery stage. As a result, neither party produced discovery to the other. This action had also not reached the discovery stage.

Akamai suggests counsel was motivated by a desire to prevent Akamai from learning of the Agreement. But, as discussed above and in the Foster declaration, ¶ ¶ 6-8, 17-18, until receiving Akamai's September 6, 2019, letter neither Uniloc nor its counsel had a clue Akamai would qualify as an IBM Strategic Partner. IBM itself had represented it would not. And Uniloc has regularly produced this Agreement to other defendants in cases that did reach the discovery phase. Foster Decl., ¶ 26.

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