

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

UNILOC 2017 LLC,

Plaintiff,

v.

AKAMAI TECHNOLOGIES, INC.,

Defendant.

Civil Action No. 1:19-cv-11276-RGS

Leave to file granted on November 18, 2019

**UNILOC'S SURREPLY IN OPPOSITION TO
MOTION FOR JUDGMENT ON THE PLEADINGS**

Here is a summary of the current situation and how we got there:

The Agreement with IBM assigning the patents-in-suit reserved to IBM the right to sublicense IBM Strategic Partners. For business reasons, Uniloc would not file suit against someone if the suit could be aborted at any time by the defendant's receiving a license from IBM. So before filing suit, Uniloc informed IBM of its intention to sue Akamai and was assured by IBM, in writing, Akamai does "not meet the definition of 'IBM Strategic Partner.'" Dkt. No. 31-2. Uniloc had no reason to question IBM's representation, and thus reasonably relied on it in pursuing litigation against Akamai. That was the situation from February 2017 through September 5, 2019.

On September 6, 2019, Akamai surprised Uniloc with a notice that Akamai's level of business with IBM had qualified it as an IBM Strategic Partner. Although Akamai had not received (and, as of this writing, still has not received) a license from IBM, for the same business reasons as described above Uniloc does not want to pursue the action if IBM could sublicense Akamai.

So on September 11, Uniloc sent Akamai a stipulation, which would discontinue the entire action, including counterclaims. But Akamai refused to sign, and the action drags on.

For the reasons discussed below, Uniloc is legally entitled to pursue this action, and the Court may thus not dismiss it with prejudice. Once that is established, perhaps the parties can find some way to end the action. But before discussing possible options, this Surreply will clarify a few legal points.

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

Uniloc's Opposition, Dkt. No. 31 at 1-2, pointed out Akamai does not have a license to the patents-in-suit. Although the Reply, Dkt. No. 37 ("Rep."), claims the Agreement gives IBM a (nonexclusive) right to sublicense Akamai, it tacitly admits IBM has not done so. The Reply, like the Motion, refers to Akamai only as a "Licensee," using the capitalized form of the word, which, per the IBM Agreement, includes certain non-licensees, of which Akamai is one.

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

If Akamai does not have a license and is infringing the patents, it may be sued. But by whom? The Reply never answers that question. It seems Akamai is angling for a result that permits it to infringe at will, without compensation.

IBM initially owned the patents and thus had the right to sue. But in the Agreement (section 1.1), IBM transferred to Uniloc "all right, title and interest in" the patents, including the "right to sue for injunctive relief and damages for infringement." Dkt. 22-1, sec.1.1. So the obvious plaintiff would be Uniloc.

Akamai attempts to muddy the waters, Rep. at 1-2, by referring to section 2.4 of the Agreement, which provides Uniloc "shall not interfere" with contracts *IBM* might have with Akamai. But that section would relate only to activity Akamai performs *for IBM itself*. That

provision has no relationship to infringing activities Akamai performs *for its non-IBM customers*. The Agreement does not bar Uniloc from suing Akamai for infringement involving customers of Akamai other than IBM.

Akamai's argument as to the indemnification provision, Reply at 2-4, confirms Uniloc's position, which was that the provision discourages a lawsuit, but does not prevent it. Akamai argues that because the indemnification provision could make an infringement action unprofitable for Uniloc, the Court must interpret the Agreement to bar such an action, even though the Agreement does not explicitly do so. But under that interpretation, no one could sue Akamai for its unlicensed infringement. IBM did not itself maintain that right, but transferred it to Uniloc. Interpreting the indemnification provision as barring suit by Uniloc would leave no one with the right to enforce the patents. That interpretation would effectively license Akamai – and for free! If that result had been intended, the Agreement would have flat out licensed IBM Strategic Partners, as opposed to reserving to IBM the right to do so.

So in the absence of a license, which Akamai has not received from either Uniloc or IBM, Uniloc has the right to continue the action, and thus the motion for judgment on the pleadings – the relief Akamai requested – must be denied.

3. There are no other issues for the Court to decide.

Because Uniloc has the right to continue the action, this Court cannot dismiss the complaint on that ground over Uniloc's objection. And Akamai has chosen not to raise other grounds for dismissal, such as a lack of standing or jurisdiction, or a failure to join a party under rule 19. So a decision Uniloc has the right to continue the action leaves nothing else for the Court to decide.

The issues of whether to allow voluntary dismissal or to order dismissal without prejudice are not before the Court at least at this point. Although Uniloc had requested Akamai to stipulate to dismissal of the entire action, Akamai has refused. Uniloc is thus not asking this Court to dismiss its complaint, because Akamai will not accede to the request to dismiss its counterclaims.

There is much in the Motion, the Opposition, and the Reply relating to *ad hominem* attacks on counsel. But as those attacks now seem unrelated to any remaining issue before the Court, Uniloc will forgo further comment.

As the parties seem to want to find a way to bring this action to an end, Uniloc requests the Court order this case to mediation, before a Magistrate Judge of this Court.

Dated: November 18, 2019

Respectfully submitted,

/s/ James J. Foster

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CERTIFICATE OF SERVICE

I certify that all counsel of record who have consented to electronic service are being served with a copy of this document via the Court's CM/ECF system.

/s/ James J. Foster