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11
 12 UNITED STATES DISTRICT COURT
 13 NORTHERN DISTRICT OF CALIFORNIA
 14 SAN FRANCISCO DIVISION

15 ROBERT JACOBSEN, an individual,)
 16)
 17 Plaintiff,)
 18 vs.)
 19 MATTHEW KATZER, an individual, and)
 20 KAMIND ASSOCIATES, INC., an Oregon)
 21 corporation dba KAM Industries,)
 22 Defendants.)

Case Number C06-1905-JSW
 Hearing Date: December 19, 2008
 Hearing Time: 9:00am
 Place: Ct. 2, Floor 17
 Hon. Jeffrey S. White

**DEFENDANTS MATTHEW
 KATZER AND KAMIND
 ASSOCIATES, INC.'S REPLY TO
 PLAINTIFF'S OPPOSITION TO
 DEFENDANTS'S MOTION TO
 DISMISS FOR MOOTNESS**

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 23
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 26

1 **INTRODUCTION**

2 Plaintiff had previously conceded that the declaratory judgment actions relating to non-
3 infringement and invalidity of the '329 patent are moot (Opposition to Motion to Dismiss for
4 Mootness at 3 [Dkt.# 213]). Plaintiff's Opposition now reverses course and argues that none of
5 the declaratory actions are moot based on his interpretation of the new *Caraco* case and its
6 discussion of the doctrine of standing. Plaintiff's Opposition to Defendants' Motion to Dismiss
7 for Mootness [Dkt.# 243] ("Opposition") at 5. Plaintiff has abandoned his previous arguments in
8 his former Opposition papers addressing the mootness issue, except for one paragraph addressing
9 the declaratory action for unenforceability. Opposition at 11. The bulk of Plaintiff's opposition
10 to this pending motion to dismiss the three declaratory claims relating to the '329 patent,
11 however, consists largely of a free-form odyssey re-exploration of this Court's Order granting
12 Defendants' special motion to strike Plaintiff's libel claim and awarding attorney fees to
13 Defendants KAM, Katzer and Russell. As such, Plaintiff's Opposition papers are more
14 accurately characterized as a motion to reconsider this Court's anti-SLAPP ruling.

15 **ISSUES TO BE DECIDED**

- 16 1. Should Plaintiff's claims for declaratory judgments of unenforceability, invalidity and
17 infringement as to the '329 patent be dismissed as moot?
- 18 2. Should this Court advise Plaintiff whether the Court has jurisdiction to hear declaratory
19 judgment claims on all of KAM's patents?
- 20 3. Should this Court retain jurisdiction over a future claim for attorney fees from Plaintiff
21 pursuant to 35 U.S.C. § 285?
- 22 4. Can Plaintiff, as a matter of law, be a "prevailing party" for purposes of recovering
23 attorney fees under § 285?
- 24 5. Is Plaintiff's Opposition more properly characterized as a motion to reconsider the anti-
25 SLAPP award, and if so, should Defendants be awarded their reasonable attorney fees in
26 preparing their reply?

STATEMENT OF FACTS

1
2 Plaintiff's original complaint contained a claim for libel against Defendants and then-
3 Defendant Kevin Russell [Dkt. # 1]. This Court struck this libel claim from the Complaint by
4 granting Defendants special motion to strike under California's anti-SLAPP statute and awarded
5 Defendants their reasonable attorney fees. Cal. Civ. Proc. Code § 425.16 [Dkt. # 111]. Plaintiff
6 filed a motion to reconsider this ruling and this motion was denied. [Dkts.# 119-121]. This was
7 in October of 2006.

8 In February 2008, Defendants sought to streamline the issues in this lawsuit by filing a
9 statutory Disclaimer of all claims in the '329 patent (the patent-in-suit). [Dkt.# 203, Ex. A].
10 Defendants then filed a motion to dismiss all three declaratory actions relating to the '329 patent
11 as moot. [Dkt.# 203]. Plaintiff now opposes this motion based on the argument that allegedly
12 false statements made by Defendants in their anti-SLAPP declarations in support of the motion
13 to strike the libel claim have allegedly harmed Defendant and through this harm this Court
14 retains subject matter jurisdiction over the moot declaratory actions relating to the '329 patent.
15 [Dkt.# 243]. Ostensibly, Plaintiff seeks to litigate the validity of the now moot '329 patent and
16 all other patents in KAM's portfolio (although not identified in Plaintiff's Opposition nor
17 presently a part of this lawsuit) in an effort to prove that Defendants engaged in inequitable
18 conduct before the Patent Office. Plaintiff's logic then seems to be that, armed with a finding of
19 inequitable conduct from this Court, Plaintiff will then seek attorney fees in this litigation and an
20 order from this Court "unwinding" the anti-SLAPP award and returning this money to Plaintiff.

SUMMARY OF THE ARGUMENT

21
22 Defendants statutory Disclaimer of the '329 Patent moots Plaintiff's declaratory actions
23 for invalidity, unenforceability and non-infringement of the '329 patent. *Benitec Australia, Ltd.*
24 *v. Nucleonics, Inc.*, 495 F.3d 1340 (Fed. Cir. 2007). The case law on this issue is clear and
25 Plaintiff's citation to *Caraco* is inapposite. 35 U.S.C. § 285 does not create an independent basis
26 for subject matter jurisdiction over the now moot patents, nor does it allow Plaintiff to seek, in

1 the future, prevailing party attorney fees since Plaintiff, as a matter of law, is not a prevailing
 2 party. *Buckhannon Board & Care Home, Inc. v. W. Va Dep't of Health and Human Services*, 532
 3 U.S. 598, 604-605 (2001).

4 This Court should decline to issue an advisory opinion on whether this Court has subject
 5 matter jurisdiction for all KAM because the issue is not presently before the Court. *Aetna Life*
 6 *Ins. Co. of Hartford, Conn. V. Haworth*, 300 U.S. 227, 240 (1937)

7 Lastly, § 285 of the Patent Act is not the appropriate vehicle to re-litigate Plaintiff's
 8 motion to reconsider this Court's attorney fee award pursuant to California's anti-SLAPP motion
 9 to strike procedure. *Lewis v. Cont'l Bank Corp.*, 494 U.S. 472, 480 (1990). Plaintiff's
 10 Opposition, which is in reality a motion to reconsider this Court's anti-SLAPP fee award should
 11 be denied and this Court should award Defendants their reasonable attorney fees in responding to
 12 this opposition under California law. Cal. Code Civ. Pro. § 425.16(c).

13 ARGUMENT

14 I. All Three Declaratory Actions relating to the '329 Patent are Moot

15 A. The Disclaimer Moots all three Declaratory Actions

16 As discussed in Defendants' Motion, Defendants Disclaimer (Ex. A, Dkt.# 203-2) and
 17 covenant not to sue divests this court of jurisdiction of the declaratory actions regarding the '329
 18 patent as there is no longer a controversy of sufficient and immediate reality to warrant the
 19 issuance of a declaratory judgment. Defendants' Motion to Dismiss Counts 1, 2, and 3 of the
 20 Second Amended Complaint as Moot (hereinafter "Motion") [Dkt.# 203] at 4-5 citing
 21 *MedImmune, Super Sack, Amana* and *Benitec*. Thus, there is no case or controversy between the
 22 Plaintiff and the Defendants regarding the '329 patent and the claim is moot. *Amana*
 23 *Refrigeration, Inc. v. Quadlux, Inc.*, 172 F.3d 852, 855 (Fed. Cir. 1999) (holding that a covenant
 24 not to sue moots an action for declaratory judgment). Plaintiff cites no authority for the
 25 proposition that the declaratory actions are not mooted by the disclaimer except the *Caraco* case
 26 (discussed in detail below) which is inapposite to the issue at hand. Rather, the effect of a

1 covenant not to sue (and even more so a statutory disclaimer) is unambiguous under Federal
2 Circuit caselaw: it extinguishes subject matter jurisdiction by terminating the controversy
3 between the parties. “A patentee defending an action for a declaratory judgment of invalidity
4 can divest the trial court of jurisdiction over the case by filing a covenant not to assert the patent
5 at issue against the putative infringer with respect to any of its past, present or future acts...”.
6 *Super Sack Mfg. Corp. v. Chase Packaging Corp.*, 57 F.3d 1054, 1058 (Fed. Cir. 1995). This
7 logic is sound and remains intact despite the change in the legal standard announced in
8 *MedImmune. Benitec Australia, Ltd. v. Nucleonics, Inc.*, 495 F.3d 1340 (Fed. Cir. 2007);
9 *Crossbow Tech., Inc. v. YH Tech.*, 531 F.Supp.2d 1117, 1124 (N.D. Cal 2007).

10
11 **B. Plaintiff’s authority does not, at all, suggest that this Court maintains
jurisdiction over the declaratory claim for unenforceability**

12 **i. Plaintiff’s citation to *Nilssen* is inapposite**

13 Plaintiff states, without any analysis, that the “declaratory judgment action relating to
14 unenforceability of the ‘329 patent is not moot.” Opposition at 11 citing *Nilssen v. Osram*
15 *Sylvania, Inc.*, 504 F.3d 1223, 1230 (Fed. Cir. 2007). As discussed in detail in Defendants’
16 Memorandum in Opposition to Plaintiff’s Motion for Early Discovery at 4-5 [Dkt.# 209], this
17 issue is most certainly moot. *Nilssen* does not help Plaintiff in this matter, but rather is
18 inapplicable to the issue at hand. Defendants agree with Plaintiffs that, in theory, alleged
19 inequitable conduct in the ‘329 patent can be used as the basis to invalidate another patent
20 asserted by Defendants against Plaintiff. This was the issue in *Nilssen*. If, for example,
21 Defendants were to bring counterclaims against Plaintiff alleging infringement of another patent,
22 then Plaintiff could seek a holding from this Court that Defendants engaged in inequitable
23 conduct relating to the prosecution of the ‘329 patent, even though the ‘329 patent is no longer in
24 suit, in order to invalidate the patent asserted in the counterclaim. *Nilssen*, 504 F.3d at 1230.
25 This issue is not presently before the Court, however. What is before this Court is Defendants’
26 pending motion to dismiss the declaratory actions against the ‘329 patent. Based on the filing of

1 the Disclaimer, there is no longer any substantial controversy of sufficient immediacy and reality
2 between Plaintiff and Defendants regarding the '329 patent.

3
4 **ii. This Court does not retain jurisdiction over the declaratory claim of
unenforceability via 35 U.S.C. § 285 (the attorney fees provision)**

5 Plaintiff additionally claims, citing *Monsanto Co. v. Bayer Bioscience, N.V.*, 2008 U.S.
6 App LEXIS 1409 (Fed. Cir. 2008), that this Court can retain jurisdiction over the declaratory
7 claim of unenforceability in order to determine the disposition of a request for attorney fees
8 under 35 U.S.C. § 285. Opposition at 11. *Monsanto*, in fact, holds nothing of the sort. Rather,
9 *Monsanto* holds that, in the context of disposing of a request for attorney fees under § 285, a
10 court may make findings of inequitable conduct regarding a patent no longer in suit in order to
11 determine whether the conduct of a party is "exceptional" for purposes of § 285. The Court went
12 on to say that once a court issues a finding that a patent was obtained via inequitable conduct, a
13 finding of unenforceability necessarily follows and that "any distinction between the two
14 findings is merely semantic." *Monsanto* 2008 U.S. App LEXIS 1409 at *37. It does not follow
15 from this conclusion, however, that subject matter jurisdiction over the declaratory action of
16 unenforceability also remains. In fact, Supreme Court and Federal Circuit law is clear that this is
17 not the case.

18 The Federal Circuit has held that a properly executed covenant not to sue (similar in
19 purpose to the Disclaimer in this case) for infringement moots not only the controversy with
20 respect to infringement, but it also eliminates subject matter jurisdiction with respect to
21 remaining declaratory claims for patent invalidity and unenforceability. *Super Sack*, 57 F.3d at
22 1058-1060, *Benitec*, 495 F.3d at 1340 (both discussed in Defendants' Motion). "Where...it
23 appears that the only concrete interest in the controversy has terminated, reasonable caution is
24 needed to be sure that mooted litigation is not pressed forward, and unnecessary judicial
25 pronouncements...obtained solely in order to obtain reimbursement of sunk costs." *Lewis v.*
26 *Cont'l Bank Corp.*, 494 U.S. 472, 480, (1990)). Consequently, courts have held that § 285 is not

1 an independent basis for jurisdiction to decide an otherwise moot declaratory claim for
2 unenforceability. *Sony Elecs., Inc. v. Soundview Techs., Inc.*, 375 F.Supp.2d 99, 101 (D. Conn.
3 2005)), *see also True Center Gate Leasing, Inc. v. Sonoran Gate, LLC*, 402 F.Supp.2d 1093,
4 1100 (D. Az. 2005).

5 Therefore, even if there is jurisdiction to determine whether Plaintiff is entitled to
6 attorney fees, it is well settled that this does not avert mootness of the underlying declaratory
7 claim for enforceability.

8
9 **II. This Court should not maintain subject matter jurisdiction of the now moot
10 patent declaratory actions to address Plaintiff's Motion to Reconsider the anti-
11 SLAPP attorney fee award based on Plaintiff's stricken libel claim**

12 Plaintiff's Opposition seemingly argues that even if the declaratory claims relating to the
13 '329 patent are moot under the analysis above, Plaintiff still has "standing" to pursue these
14 claims via the harm caused by the anti-SLAPP attorney fee award (citing *Caraco Pharm. Labs,
15 Ltd. v. Forest Labs, Inc.*, 527 F.3d 1278 (Fed. Cir. 2008)).

16 The glaring flaw with Plaintiff's position, however, is that the harm described in
17 Plaintiff's papers (*i.e.* the monetary payments to Defendants' counsel pursuant to the anti-SLAPP
18 fee award) is completely unrelated to the declaratory patent actions. In other words, this harm
19 does not give rise to jurisdiction over the declaratory judgment claims, nor could this harm be
20 remedied by the declaratory relief sought in the complaint (indeed, the alleged harm did not even
21 exist at the time the complaint was filed). The financial harm resulting from Defendants
22 allegedly "false affidavits" can be addressed via a number of avenues (a motion for sanctions
23 with this court or some sort of state court claim) but is completely unrelated to Plaintiff's
24 declaratory actions surrounding the '329 patent. In legal terms, this injury is not "fairly traceable
25 to defendant's allegedly unlawful conduct and likely to be redressed by the requested relief."
26 *Allen v. Wright*, 460 U.S. 737 (1984) (describing the "zone of interest test" prudential limitation
on standing). Declaring the now-disclaimed '329 patent invalid, unenforceable or non-

1 infringeable will not return the money plaintiff seeks. Therefore, Plaintiff does not have
2 “standing” to further pursue these moot declaratory judgment claims.

3 *Caraco Pharm. Labs., Ltd. v. Forest Labs., Ltd.* does not help Plaintiff in this regard at
4 all. *Caraco* arose based on a unique set of facts under the Hatch-Waxman Act, relating to the
5 Food and Drug Administration’s approval of new and generic drugs. In *Caraco*, the Federal
6 Circuit considered whether a covenant not to sue rendered an action moot. *Caraco*, 527 F.3d at
7 1296. The court noted that, in the ordinary infringement context, a covenant not to sue renders
8 the case moot. *Id.* However, in *Caraco*, the plaintiff also alleged that the listing of the patent in
9 the “Orange Book” prevented plaintiff from entering the marketplace.¹ Therefore, under this
10 “unique” situation created by the Hatch-Waxman Act, the action presented a justiciable case or
11 controversy according to the Federal Circuit. *Id.*

12 Here, unlike *Caraco*, the harm that gave rise to the jurisdiction over the declaratory
13 action ceased *completely* to exist once Defendants filed the statutory disclaimer of the ‘329
14 patent. Under no set of circumstances, could Defendants alleged misrepresentations revive the
15 ‘329 patent or declaratory judgment jurisdiction and the issue therefore remains moot. *See*
16 *Jannssen Pharmaceutica, N.V. v Apotex, Inc.*, 540 F.3d 1353, 1361 (Fed. Cir. 2008)
17 (distinguishing *Caraco* and holding that declaratory judgment jurisdiction does not exist where
18 the harm that gave rise to that jurisdiction has ceased: “The key difference between *Caraco* and
19 this case is that the harm that gave rise to the jurisdiction over the declaratory judgment claim in
20 *Caraco* ceased to exist once Apotex stipulated to the validity, infringement and enforceability of
21 the ‘663 patent”).

22 ///

23 ///

24 ///

25
26 ¹ The version of the Hatch-Waxman Act, at the time, prevented the plaintiff from entering the marketplace until the
issuance of a “final court decision finding the relevant Orange-Book-listed patents invalid and not infringed. *Id.* at
1283-1284.

1 **III. This Court should decline to give an advisory opinion to Plaintiff regarding**
2 **Katzer patents not presently before this Court**

3 Plaintiff asserts that, pursuant to *Micron Tech., Inc. v. MOSAID Techs., Inc.*, 518 F.3d
4 897 (Fed. Cir. 2008), this Court “has jurisdiction over all issued Katzer patents.” Opposition at
5 ii, 11-13. The only patent-in-suit, however is the now-disclaimed ‘329 patent. Ostensibly,
6 Plaintiff seeks an advisory opinion from this Court regarding whether this Court will allow
7 Plaintiff to amend his Complaint to add declaratory actions on twelve (12) additional Katzer
8 patents.

9 As a practical matter, it seems clear that Plaintiff is not in “reasonable apprehension of
10 suit” on any of Katzer’s patents. First, Plaintiff’s counsel failed to even identify (except for one
11 patent, the ‘406) any of the twelve patents that Plaintiff is in apprehension of during the April 11,
12 2008 hearing. Transcript of Proceedings of April 11, 2008 Hearing, pp. 3-8. Second,
13 Defendants warranted, at this same hearing, that they are not contemplating an infringement
14 action against Jacobsen on any patent at the current time. *Id.*

15 More importantly, the “case or controversy” requirement in Article III shields federal courts
16 from being drawn into disputes about abstract or hypothetical cases. Federal courts have no
17 power to render advisory opinions affecting a dispute that has not yet arisen. *Aetna Life Ins. Co.*
18 *of Hartford, Conn. V. Haworth*, 300 U.S. 227, 240 (1937). There is no subject matter
19 jurisdiction to grant declaratory relief as to rights or liabilities that do not yet exist or are not
20 certain to arise. *Calderon v. Ashmus*, 523 US 740, 746-747 (1998). This Court should decline to
21 address whether Plaintiff can maintain declaratory judgment jurisdiction over all Katzer patents.

22 **IV. Jurisdiction to hear a claim for attorney fees under § 285**

23 **A. A claim for attorney fees does not create a case or controversy**

24 Plaintiff also requests that this Court retain subject matter jurisdiction over Plaintiff’s
25 request for attorney fees under § 285. Opposition at 14. Plaintiff has not asserted a separate
26 claim for attorney fees, but merely includes a request for such fees in his prayer for relief on the
27 declaratory judgment claims. Both the Supreme Court and the Federal Circuit have held “an

1 interest in attorney's fees is, of course, insufficient to create an Article III case or controversy
2 where none exists on the merits of the underlying claim." *Tunik V. MSPB*, 407 F.3d 1326, 1331
3 (Fed. Cir. 2005) (quoting *Lewis v. Cont'l Bank Corp.*, 494 U.S. at 480). Since the underlying
4 declaratory actions are moot, § 285 does not create in independent basis for jurisdiction over the
5 moot declaratory actions.

6
7 **B. Plaintiff is not a prevailing party within the meaning of § 285 as a matter of
8 law**

9 Moreover, even assuming for the sake of argument that this Court possesses jurisdiction
10 under § 285 to address Plaintiff's attorney fee request,¹ Plaintiff, as a matter of law, is not a
11 "prevailing party" within the meaning of 35 U.S.C. § 285. This is the most fundamental and
12 glaring flaw in Plaintiff's position. Under 35 U.S.C. § 285, the "district court may award
13 reasonable attorney fees to the *prevailing party* in a patent infringement case where the conduct
14 of a party is deemed to be 'exceptional.'" *Monsanto*, 2008 U.S. App LEXIS 1409 at *36 (citing
15 *Brasseler, U.S.A. I, L.P. v. Stryker Sales Corp.*, 267 F.3d 1370, 1380 (Fed. Cir. 2001) (quoting
16 35 U.S.C. § 285)) (emphasis added). Thus, Plaintiff must show that he is (1) the prevailing party
17 and (2) that exceptional circumstances exist. In this case, as a matter of law, Plaintiff cannot
18 establish that he is a prevailing party, which is the threshold issue. The well-settled fee shifting
19 law established in *Buckhannon* and its progeny clearly support only the position that Plaintiff is
20 *not* a prevailing party in the case at bar.

21 As discussed above, the filing of the Disclaimer strips this Court of subject matter
22 jurisdiction, and no judicial relief has or will be been afforded to Plaintiff on any of his patent
23 claims. To be considered a "prevailing party," one must have obtained at least some relief on the

24
25 ¹ While not clear from Plaintiff's papers what Plaintiff is seeking, § 285 does not entitle
26 Plaintiff to seek recovery of the anti-SLAPP attorney fee payments. *Monolith Portland Midwest
Co. v. Kaiser Aluminum and Chemical Corp.*, 407 F.2d 288 (9th Cir. 1969) (holding that no
award under § 285 can be allowed for litigating non-patent issues).

1 merits which alters the legal relationships of the parties. *Inland Steel Co. v. LTV Steel Co.*, 364
2 F.3d 1318, 1320 (Fed. Cir. 2004). This requires judicial relief in a form of a judicial *imprimatur*
3 that materially alters the parties' legal relationship. *Buckhannon Board & Care Home, Inc. v. W.*
4 *Va Dep't of Health and Human Services*, 532 U.S. 598, 604-605 (2001); *see also Carbonell v.*
5 *INS*, 429 F.3d 894, 898 (9th Cir. 2005); *Perez-Arellano v. Smith*, 279 F.3d 791, 793 (9th Cir.
6 2002). The requirements of *Buckhannon* apply to 35 U.S.C. § 285. *Highway Equipment Co. v.*
7 *FECO, Ltd.*, 469 F.3d 1027, 1033-1034 (Fed. Cir. 2006) (citing *Indep. Fed'n of Flight*
8 *Attendants v. Zipes*, 491 U.S. 754, 759 n.2 (1989) (noting that the similar language of fee-
9 shifting statutes is a "strong indication" that they are to be interpreted alike).

10 "[A] plaintiff prevails when actual relief on the merits of [his] claim modifies the
11 defendant's behavior in a way that directly benefits the plaintiff." *Farrar v. Hobby*, 506 U.S.
12 103, 111-112 (1992) (citation omitted); *see also Labotest, Inc. v Bonta*, 297 F.3d 892, 895 (9th
13 Cir. 2002); *Barrios v. Cal. Interscholastic Fed'n*, 277 F.3d 1128, 1134 (9th Cir. 2002) (stating
14 that a material alteration in the legal relationship occurs when the plaintiff becomes entitled to
15 enforce a "judgment, consent decree, or settlement against the defendant."). However, a plaintiff
16 who is a mere catalyst of an extra-judicial voluntary change in conduct is not eligible for
17 reimbursement of fees and costs. *Buchhannon*, 532 U.S. at 605; *Carbonell*, 429 F.3d at 898;
18 *Perez-Arellano*, 279 F.3d at 793. The Supreme Court has expressly repudiated the "catalyst
19 theory" of recovering attorney fees and costs, under which a plaintiff is purportedly a "prevailing
20 party" if it achieves the desired result because the lawsuit brought about a voluntary change in
21 the defendant's conduct. *Buckhannon*, 532 U.S. at 605 ("A defendant's voluntary change in
22 conduct, although perhaps accomplishing what the plaintiff sought to achieve by the lawsuit,
23 lacks the necessary judicial *imprimatur* on the change.").

24 Here, no judicial relief has been afforded to Plaintiff on any of his patent claims. Plaintiff
25 cites no authority (and there is none) for the proposition that Plaintiff could be a prevailing party
26 without any type of "judicial *imprimatur*." Defendants, outside of the context of this litigation,

1 voluntarily disclaimed the '329 patent and covenanted not to sue Plaintiff on the '329 patent to
2 avoid costly and protracted litigation with Plaintiff. Defendants have never asserted a
3 counterclaim of infringement of the '329 patent against Plaintiff in this litigation, therefore there
4 is no action for this Court to take, ministerial or otherwise, for final resolution on the '329 patent.
5 Because Plaintiff has received no judicial relief, whatsoever, he is not a prevailing party within
6 the meaning of § 285. As explained in a similar district court patent case addressing section §
7 285:

8 While Columbia's covenant not to sue is a form of voluntary conduct that
9 accomplishes the major part of what the plaintiffs sought to achieve in these
10 lawsuits, they have received no relief from the court on the merits of their claims.
11 They are, therefore, not prevailing parties for the purposes of § 285.

12 *Columbia Univ. Patent Litig.*, 343 F.Supp.2d 35, 49 (D. Mass 2004) (citing *Inland*
Steel Co. v. LTV Steel Co., 364 F.3d 1318, 1320 (Fed. Cir. 2004).

13 Plaintiff's argument that settlement Judge Laporte's scheduling order, requiring
14 Defendants to provide a brief statement of their positions on infringement, validity and
15 enforceability of the '329 patent for settlement purposes, constitutes the necessary "judicial
16 imprimatur" under *Buckhannon* is not well taken. First, by definition, a settlement conference
17 judge does not have the power to provide "actual relief on the merits" as required under
18 *Buckhannon*. See e.g. ADR Local Rule 7-1. Second, Defendants' voluntary disclaimer is not
19 "judicially sanctioned" in any sense of the word-it does not require a court order, nor does this
20 Court have the power or discretion to place any conditions on it. *RFR Industries v. Century*
21 *Steps Inc.*, 477 F.3d 1348 (Fed. Cir. 2007) (holding that a plaintiff's voluntary dismissal under
22 FRCP 41(a)(1)(i) is not "judicially sanctioned" because it does not require a court order, nor does
23 the court have the power or discretion to place any conditions on it).

24 Therefore, Plaintiff, as a matter of law, is not entitled to attorney fees or costs pursuant to
25 35 U.S.C. § 285 because Plaintiff is not a prevailing party on his declaratory actions and this
26

1 Court should refuse to retain jurisdiction to hear any future application for attorney fees under §
2 285.

3 **V. Defendants' are entitled to recover attorney fees for responding to this motion to**
4 **reconsider the anti-SLAPP ruling**

5 Plaintiff's Opposition is more properly a second motion to reconsider this Court's anti-
6 SLAPP ruling. When Plaintiff initially opined that the anti-SLAPP fee award could constitute an
7 "injury" for purposes of the present motion at oral argument, this Court advised Plaintiff that this
8 issue is more properly addressed in a motion for sanctions or a lawsuit for malicious prosecution.
9 Transcript of Proceedings at 20 [Dkt.# 224]. Nevertheless, Plaintiff ignored this Court's advice,
10 ignored LR 7-9, and ignored this Court's previous admonition to comply with this Court's local
11 rules and standing orders. *See* Order re Outstanding Motions at 4 [Dkt.# 190] (specifically
12 addressing Plaintiff's last violation of Rule 7-9(a)). Failing to properly seek leave of this Court
13 to file Plaintiff's ill-conceived motions for reconsideration works severe prejudice on Defendants
14 since Defendants are forced to respond to these motions where leave most likely would not be
15 granted. While irrelevant to the present motion, Defendant can no longer sit idly by as Plaintiff
16 continually calls Defendant a liar in public filing with this Court. Therefore, Defendant has
17 prepared another declaration outlining his good faith belief that the '329 patent is valid, that
18 Plaintiff infringed that patent, that litigation was contemplated in good faith against Jacobsen at
19 the time of the FOIA request, and that Defendants disclaimed the patent solely because it was not
20 worth litigating the issue. *See* Declaration of Matthew Katzer in Opposition to Plaintiff's Motion
21 for a Preliminary Injunction, ¶¶ 43-47.

22 Defendants respectfully request that this Court award reasonable attorney fees to
23 Defendants for preparing this Reply and the associated Declaration based on California's anti-
24 SLAPP statute, which provides that "a prevailing defendant on a special motion to strike shall be
25 entitled to recover his or her attorneys' fees and costs." Cal. Code Civ. Pro. § 425.16(c).
26 Plaintiff's motion for reconsideration is not timely under California law and is punishable with
sanctions. Cal. Code Civ. Pro. §1008; *see also* *Kunysz v. Sandler*, 146 Cal App. 4th 1540 (2007).

1 Likewise, this second motion for reconsideration is untimely under Fed. R. Civ. P. 60 since it is
2 not being brought within one year of entry of the anti-SLAPP fee award order. At least one
3 California court has awarded fees to a defendant for work performed opposing a plaintiff's
4 motion for reconsideration of an anti-SLAPP fee award. *See Russell v. Foglio*, 160 Cal.App.4th
5 653 (2008). The amount of fees may be documented by separate noticed motion or in a
6 memorandum of costs after judgment. *Doe v. Luster*, 145 Cal.App.4th 139, 144 (2006).
7 Defendants intend to file such a motion if allowed by this Court.

8 VI. Conclusion

9 Based on the above, Defendants respectfully request that Claims 1, 2 and 3 of the Second
10 Amended Complaint and the associated relief requested in Plaintiff's Prayer for Relief A, B, C,
11 D, E, F, G and T (requesting costs and attorney fees pursuant to 35 U.S.C. § 285) be dismissed
12 with prejudice. This Court should refuse to address Plaintiff's request for an advisory opinion
13 regarding whether this Court has jurisdiction to hear declaratory judgment claims on all of
14 KAM's patents. Additionally, this Court should refuse to retain jurisdiction over the attorney fee
15 issue pursuant to 35 U.S.C. § 285, and in the alternative, if this Court does retain jurisdiction,
16 this Court should find as a matter of law that Plaintiff is not a "prevailing party." Lastly, this
17 Court should allow Defendants to recover their reasonable attorney fees in preparing this Reply
18 via separate noticed motion pursuant to Cal. Civ. Pro. Code § 425.16 since Plaintiff's Opposition
19 is, in reality, a second motion to reconsider this Court's anti-SLAPP ruling.

20 Dated November 7, 2008.

21 Respectfully submitted,

22 /s/ Scott Jerger

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CERTIFICATE OF SERVICE

I certify that on November 7, 2008, I served Matthew Katzer's and KAM's REPLY TO PLAINTIFF'S OPPOSITION TO DEFENDANTS' MOTION TO DISMISS FOR MOOTNESS on the following parties through their attorneys via the Court's ECF filing system:

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