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 11 HTC CORPORATION and HTC AMERICA, INC.

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

16 HTC CORPORATION and HTC  
 17 AMERICA, INC.,

18 Plaintiffs,

19 v.

20 TECHNOLOGY PROPERTIES  
 21 LIMITED, PATRIOT SCIENTIFIC  
 CORPORATION and ALLIACENSE  
 22 LIMITED,

23 Defendants.

Case No. 5:08-cv-00882 PSG

[Related to Case No. 5:08-cv-00877 PSG]

**CORRECTED\* HTC'S OBJECTIONS TO  
 PATRIOT'S AMENDED BILL OF COSTS**

Complaint Filed: February 8, 2008  
 Trial Date: September 23, 2013

26 \* Calculation errors were corrected.  
 27  
 28

1 **I. INTRODUCTION**

2 Plaintiffs HTC Corporation and HTC America, Inc. (collectively, “HTC”) respectfully  
3 submit the following objections to the Amended Bill of Costs filed by Defendant Patriot  
4 Scientific Corporation (“Patriot”). (*See* Dkt. No. 669.) HTC objects to Patriot’s Amended Bill of  
5 Costs for two reasons. First, Patriot fails to account for the Cross-Use of Documents and  
6 Discovery Agreement (“Cross-Use Agreement”) entered into by the parties. *See* Declaration of  
7 Kyle. D. Chen In Support of Objections to Patriot’s Amended Bill of Costs (“Chen Decl.”), Ex.  
8 B. The Cross-Use Agreement permitted the sharing of discovery between this case and a parallel  
9 proceeding before the United States International Trade Commission (“ITC”), and Patriot fails to  
10 properly apportion discovery costs between the two related proceedings. Patriot cannot use this  
11 forum to seek recovery of the portion of the discovery costs that should be properly allocated to  
12 the ITC action in light of the cross-use agreement.

13 Second, Patriot fails to apportion costs in light of the fact that it did not prevail on four  
14 out of five patents in this case. Over the course of more than five years of litigation, this case  
15 evolved from one involving five U.S. patents – U.S. Patent Nos. 5,784,584 (“’584 patent”),  
16 5,440,749 (“’749 patent”), 6,598,148 (“’148 patent”), 5,530,890 (“’890 patent”), and 5,809,336  
17 (“’336 patent”)— to one involving only one U.S. patent, the ’336 patent. The ’584 was dismissed  
18 in 2010, but the other three dismissed patents remained in the case until as late as four days before  
19 trial (the ’749 and ’148 patents were not dismissed until July this year, and the ’890 patent was  
20 not dismissed until September 19, 2013, when the first day of trial was September 23, 2013).  
21 (*See* Dkt. No. 462, 585, 594.) There was no finding of infringement by HTC under those  
22 dismissed patents in this case. In particular, HTC prevailed on the ’890 patent, which was  
23 dismissed because, after the Court’s summary judgment order issued on September 17, 2013, no  
24 infringement and thus no damages could be established by Patriot under the ’890 patent.

25 Having never prevailed under any of these dismissed patents, Patriot is not entitled to the  
26 costs associated with them. HTC thus proposes that three-fourth of the pre-September 19, 2013  
27 costs be allocated to the dismissed ’749, ’148 and ’890 patents<sup>1</sup> and not taxed against HTC. After

28 <sup>1</sup> The ’584 patent was dismissed in 2010 before infringement contentions were served, so HTC

1 September 19, 2013, the case proceeded with only the '336 patent, so HTC does not seek to  
2 apportion the costs incurred after that date. Accordingly, HTC requests that Patriot's Amended  
3 Bill be reduced by \$51,631.44 so that, at most, \$7,851.68 be taxed against HTC.

## 4 **II. BACKGROUND**

5 This case was filed on February 8, 2008. (*See* Dkt. No. 1.) The case originally involved  
6 five U.S. patents – the '584, '749, '148, '890, and '336 patent. (*See* Dkt. No. 34.) The '584  
7 patent was dismissed on March 30, 2010. (*See* Dkt. No. 152.) The '749, '148, and '890 patents  
8 were dismissed before or on September 19, 2013—after fact discovery closed. (*See* Dkt. No. 462,  
9 585, 594.) Indeed, the '890 patent was dismissed after the Court granted HTC's motion for  
10 partial summary judgment of absolute intervening rights with respect to the '890 patent. (*See*  
11 Dkt. Nos. 585, 594.)

12 Parallel to this action, Patriot, TPL, and Phoenix Digital Solutions, LLC (“Complainants”)  
13 filed a complaint against thirteen Respondents, including HTC, before the ITC. *See In the Matter*  
14 *of Certain Wireless Consumer Electronics Devices and Components Thereof*, Inv. No. 337-TA-  
15 853 (“ITC investigation”). Complainants and HTC subsequently entered into a Cross-Use of  
16 Documents and Discovery Agreement (“Cross-Use Agreement”). The agreement permitted the  
17 sharing of “deposition and hearing transcripts” and “any and all documents and things (excluding  
18 any written discovery responses by the Parties such as their interrogatory responses) produced  
19 during the course of discovery” between this case and the ITC investigation. *See* Chen Decl., Ex.  
20 B, at 1. That is, documents produced in the ITC investigation could be used in this case, and  
21 vice-versa.

## 22 **III. LEGAL STANDARD**

23 Although Rule 54(d) of the Federal Rules of Civil Procedure creates a presumption in  
24 favor of awarding costs to the prevailing party, not all expenses incurred by a party in the  
25 litigation are “taxable costs” that may be recovered from the other side. *See Marx v. Gen.*  
26 *Revenue Corp.*, --- U.S. ---, 133 S. Ct. 1166, 1172 (2013); *Crawford Fitting Co. v. J.T. Gibbons,*  
27 *Inc.*, 482 U.S. 437, 441-43 (1987) (limiting taxable costs to those authorized by statute). Rather,  
28 does not seek to apportion the costs by all five U.S. Patents.

1 “costs” is a term of art that refers only to those particular expenditures that may be taxed to the  
 2 opponent under 28 U.S.C. § 1920 as an incident of the judgment in the action. *See id.*, 482 U.S.  
 3 at 441-45; *Taniguchi v. Kan Pac. Saipan, Ltd.*, --- U.S. ---, 132 S. Ct. 1997, 2002 (2012). District  
 4 courts may refuse to award costs within its discretion. *See Association of Mexican–American*  
 5 *Educators v. California*, 231 F.3d 572, 591 (9th. Cir. 2000). The prevailing party has the  
 6 responsibility under Section 1920 to establish that the costs are taxable, with appropriate  
 7 documentation, and the opposing party has the burden of showing the prevailing party is not  
 8 entitled to the costs sought. *See* Local Rule 54-1 (“Appropriate documentation to support each  
 9 item claimed must be attached to the bill of costs.”); *Save Our Valley v. Sound Transit*, 335 F.3d  
 10 932, 944–45 (9th. Cir. 2003).

11 District courts have discretion to apportion payment of jointly incurred costs when there  
 12 are multiparty proceedings to prevent double recovery or a windfall recovery. *See Ortho-Mcneil*  
 13 *Pharm., Inc. v. Mylan Labs., Inc.*, 569 F.3d 1353, 1357 (Fed. Cir. 2009) (vacating the portion of a  
 14 costs award related to jointly taken depositions and remanding to apportion the costs); *Marmo v.*  
 15 *Tyson Fresh Meats, Inc.*, 457 F.3d 748, 764 (8th. Cir. 2006) (affirming district court’s division of  
 16 costs among thirteen plaintiff cases against a common defendant that had been coordinated for  
 17 pretrial purposes).

#### 18 **IV. OBJECTIONS**

19 First, Patriot improperly seeks to tax HTC with \$56,152.79, which appears to be the  
 20 entirety of Patriot’s discovery costs incurred for both this case and the parallel ITC investigation  
 21 in another forum. Patriot’s Amended Bill of Costs should be reduced to account for shared costs  
 22 between the ITC investigation and this case. Accordingly, HTC respectfully proposes the  
 23 following:

24	Proposed Reduction:	\$28,075.40 (= \$56,152.79 / 2 proceedings)
25	Remaining Discovery Cost:	\$28,075.40
26	Remaining Sub-Total Cost:	\$31,406.73 (= \$28,075.40 + \$3,330.33)

27 Second, Patriot fails to apportion costs in light of the fact that it did not prevail on four of  
 28 the five asserted patents. Patriot apparently incurred \$28,075.40—the entirety of its remaining

1 discovery cost after apportionment with the ITC investigation—by May 27, 2011, and  
2 \$3,330.33—the Special Master fees—by September 3, 2013, when four patents were in the case.  
3 (*See* Dkt. No. 669 at 11.) The case presented to the jury, however, involved but six claims for  
4 one asserted patent—the '336 patent. Patriot is not entitled to tax costs for the dismissed patents,  
5 and thus HTC proposes dividing the sum of Patriot's remaining discovery cost (\$28,075.40) and  
6 Special Master fees (\$3,330.33) by four—for the four patents in the case at the time.<sup>2</sup>

7 Proposed Reduction: \$51,631.44

8 **Remaining Total Cost: \$7,851.68.**

9 HTC thus respectfully requests that Patriot's Amended Bill be reduced so that, at most,  
10 \$7,851.68 be taxed against HTC.

11 Dated: November 5, 2013

Respectfully submitted,

12 COOLEY LLP  
13 HEIDI L. KEEFE  
14 MARK R. WEINSTEIN  
15 RONALD S. LEMIEUX  
16 STEPHEN R. SMITH  
17 KYLE D. CHEN

18 By:                   /s/ Kyle D. Chen                  

19 Attorneys for Plaintiffs  
20 HTC CORPORATION and  
21 HTC AMERICA, INC.

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28 <sup>2</sup> For simplicity, HTC excludes the '584 patent which was dismissed before infringement contentions were served.

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21 TECHNOLOGY PROPERTIES  
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 CORPORATION, and ALLIACENSE  
 22 LIMITED,

23 Defendants.

Case No. 5:08-cv-00882 PSG

(Related to Case Nos. 5:08-cv-00877 PSG)

**DECLARATION OF KYLE D. CHEN IN  
 SUPPORT OF HTC'S OBJECTIONS TO  
 PATRIOT'S AMENDED BILL OF COSTS**

Complaint Filed: February 8, 2008  
 Trial Date: September 23, 2013

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 26 I, Kyle D. Chen, declare:

27 1. I am an attorney at the law firm of Cooley LLP, counsel in this action for Plaintiffs  
 28 HTC Corporation and HTC America, Inc. (collectively "HTC"). I make this declaration in

1 support of HTC's Objections to Patriot's Amended Bill of Costs. (*See* Dkt. No. 669.) I have  
2 personal knowledge based on information provided to me of the facts contained within this  
3 declaration, and if called as a witness, could testify competently to the matters contained herein.

4 1. Attached hereto as **Exhibit A** is a spreadsheet prepared at my direction which sets  
5 forth the costs requested by Patriot on its Amended Bill of Costs, filed on October 31, 2013 (Dkt.  
6 No. 669) along with the proposed reductions and the proposed amended costs.

7 2. Attached hereto as **Exhibit B** is a true and correct copy of the Cross-Use of  
8 Documents and Discovery agreement, dated January 30, 2013, between HTC and all Defendants  
9 in this case, to be applied to the ITC investigation, Investigation No. 337-TA-853, and this case.

10 I declare under penalty of perjury that to the best of my knowledge the foregoing is true  
11 and correct. Executed on November 4, 2013 in Palo Alto, California.

12 /s/ Kyle D. Chen

13 Kyle D. Chen

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# EXHIBIT A



ITEMIZATION OF COSTS

## EXHIBIT A

<b>Date of Invoice</b>	<b>Date of Project</b>	<b>Vendor</b>	<b>Amount Requested</b>	<b>Deduction by HTC</b>	<b>HTC Amended Amount</b>
4/6/2011	4/6/2011	Esquire	\$1,886.29	1/2 for ITC	\$943.15
4/21/2011	4/21/2011	Esquire	\$7,520.88	1/2 for ITC	\$3,760.44
4/30/2011	5/3/2011	Esquire	\$3,620.29	1/2 for ITC	\$1,810.15
4/30/2011	5/3/2011	Esquire	\$33,778.55	1/2 for ITC	\$16,889.28
5/9/2011	5/9/2011	Esquire	\$6,970.59	1/2 for ITC	\$3,485.30
5/20/2011	5/20/2011	Esquire	\$1,576.88	1/2 for ITC	\$788.44
5/27/2011	5/27/2011	Esquire	\$799.31	1/2 for ITC	\$399.66
					\$28,076.40
		<b>Discovery</b>	\$56,152.79	4 patents	\$7,019.10
		<b>Special Master Fees</b>	\$3,330.33	4 patents	\$832.58
		<b>Total Remaining Cost</b>			<b>\$7,851.68</b>

# EXHIBIT B

## **CROSS-USE OF DOCUMENTS AND DISCOVERY**

This Cross-Use of Documents Agreement (the “Agreement”), effective as of January 24, 2013 (the “Effective Date”), is entered into by and between Technology Properties Limited LLC (“TPL”), Phoenix Digital Solutions LLC, Alliacense Ltd., and Patriot Scientific Corporation (collectively the “TPL Parties”) on the one hand and HTC Corporation and HTC America, Inc. (collectively the “HTC Parties”) on the other hand. The TPL Parties and the HTC Parties are collectively referred to herein as the “Parties.”

1. The Parties agree that documents and things (as defined below in paragraph 2) produced or to be produced in *HTC Corp. et al. v. Technology Properties Limited et al.*, 5:08-cv-00882 (N.D. Cal. 2008) (hereinafter, the “District Court Action”) shall be deemed contemporaneously produced by the responding Party and useable by any Party in the ITC Investigation No. 337-TA-853 (the “ITC Investigation”), so long as such documents and things are produced before the close of fact discovery in the ITC Investigation (February 22, 2013 as of the date of execution for this Agreement) or before a deadline mutually agreed upon in writing by the Parties, with confidentiality preserved (i.e., all documents and things produced in the District Court Action designated with any level of confidentiality shall be deemed “Confidential Business Information” for purposes of the ITC Investigation), all objections of the originally producing party preserved, and subject to the rights of the Parties to object on any otherwise available grounds to the admissibility of such documents and things. Such documents and things deemed produced in the ITC Investigation shall be governed by any applicable protective order and/or any other applicable orders or stipulations in such ITC Investigation for purposes of use in the ITC Investigation. The Parties further agree that documents and things (as defined below in paragraph 2) produced or to be produced in the ITC Investigation shall be deemed contemporaneously produced and usable in the District Court Action, so long as such documents and things are produced before the close of fact discovery in the District Court Action (February 8, 2013 as of the date of execution for this Agreement) or before a deadline mutually agreed upon in writing by the Parties, with confidentiality preserved (i.e., all documents and things produced in the ITC Investigation designated as “Confidential Business Information” shall be deemed to be designated as “Highly Confidential – Attorneys’ Eyes Only” in the District Court Action), all objections of the originally producing Party preserved, and subject to the rights of the Parties to object on any otherwise available grounds to the admissibility of such documents and things. Such documents and things deemed produced in the District Court Action shall be subject to any applicable protective order and/or any other applicable orders or stipulations in such District Court Action for purpose of use in the District Court Action. Nothing herein shall prevent any party from seeking additional protection from the applicable court or tribunal for any particular materials.

2. “Documents and things” produced shall be interpreted to include:
- a. deposition and hearing transcripts; and
  - b. any and all documents and things (excluding any written discovery responses by the Parties such as their interrogatory responses) produced during the course of discovery.

## CROSS-USE AGREEMENT

ITC Inv. No. 337-TA-853  
Case No. 5:08-cv-00882-PSG

3. Subject to the provisions of this Agreement, the Parties shall be permitted to use in the ITC Investigation, documents and things that are produced or served in the District Court Action according to Paragraph 1 above, to the extent such use is consistent with the Commission Rules, Grounds Rules, Protective Order and any other applicable orders or stipulations in the ITC Investigation. All use under this paragraph shall be with confidentiality preserved, all objections of the originally producing party preserved, and subject to the rights of the Parties to object on any otherwise available grounds to the admissibility of such documents and things.

4. Subject to the provisions of this Agreement, the Parties shall be permitted to use in the District Court Action, documents and things that are produced or served in the ITC Investigation according to Paragraph 1 above, to the extent such use is consistent with the Federal Rules of Civil Procedure, Federal Rules of Evidence, Local Court Rules, Protective Order and any other applicable orders or stipulations in the District Court Action. All use under this paragraph shall be with confidentiality preserved, all objections of the originally producing party preserved, and subject to the rights of the Parties to object on any otherwise available grounds to the admissibility of such documents and things.

5. Notwithstanding Paragraphs 3 and 4, no form of discovery in the District Court Action shall modify discovery limitations or deadlines in the ITC Investigation and no form of discovery in the ITC Investigation shall modify discovery limitations or deadlines in the District Court Action. The Parties may rely in the ITC Investigation upon the documents and things produced in the District Court Action by referencing the Bates number used by the Party in the District Court Action. Likewise, the Parties may rely in the District Court Action upon the documents and things produced in the ITC Investigation by referencing the Bates number used by the Party in the ITC Investigation. The Parties are not obligated to reproduce or designate such documents and things with a Bates number specific to the ITC Investigation or the District Court Action.

6. Notwithstanding this Agreement, parties may otherwise meet and confer and agree in writing to the use of information or documents not included in paragraph 2 in either the District Court Action or the ITC Investigation. Each Party shall consider in good faith any request by the other Party to use (a) information or documents associated with the ITC Investigation and not included in paragraph 2 in the District Court Action, or (b) information or documents associated with the District Court Action and not included in paragraph 2 in the ITC Investigation.

CROSS-USE AGREEMENT

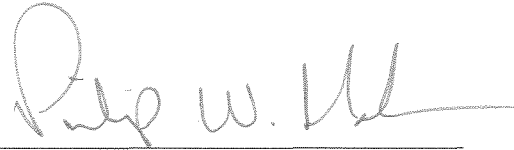
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Case No. 5:08-cv-00882-PSG

Dated: January 30, 2013

  
Charles T. Hoge / P.W.M. w/ Permission

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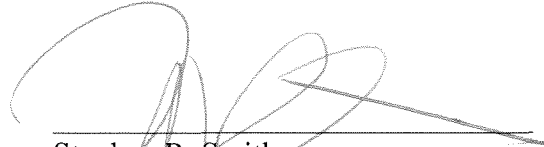
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CROSS-USE AGREEMENT

ITC Inv. No. 337-TA-853  
Case No. 5:08-cv-00882-PSG



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