

UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
Norfolk Division

CERTUSVIEW TECHNOLOGIES, LLC,

Plaintiff,

v.

Civil Action No. 2:13cv346

S&N LOCATING SERVICES, LLC,  
and  
S&N COMMUNICATIONS, INC.,

Defendants.

MEMORANDUM ORDER

This matter is before the Court on a second Motion for Exceptional Case Finding and Attorneys' Fees filed by S&N Locating Services, LLC and S&N Communications, Inc. (collectively "Defendants"). ECF No. 549. In their motion, Defendants request that the Court award them attorneys' fees because this is an "exceptional case" within the meaning of 35 U.S.C. § 285.

In this action, CertusView Technologies, LLC ("Plaintiff") asserted that Defendants had infringed five patents ("the patents-in-suit"). See Am. Compl. ¶¶ 15, 19, 23, 27, 32, ECF No. 55. On October 28, 2014, Defendants moved for judgment on the pleadings, seeking to invalidate the asserted claims of the patents-in-suit because they did not claim patent-eligible subject matter under 35 U.S.C. § 101. Defs.' Mot. for J. on the

Pleadings, ECF No. 197. On January 16, 2015, the Court granted Defendants leave to amend their answer to assert an inequitable conduct counterclaim against Plaintiff. Order at 2-3, ECF No. 248. On January 21, 2015, the Court granted Defendants' motion for judgment on the pleadings and held that each of the asserted claims of the patents-in-suit were invalid because they did not claim patent-eligible subject matter. See Opinion and Order at 95, ECF No. 250. Therefore, on that same day, the Court entered judgment in favor of Defendants in Plaintiff's patent infringement action. Judgment, ECF No. 251.

In accordance with the Court's January 16, 2015 Order, on January 23, 2015, Defendants filed their First Amended Answer and Counterclaims, which asserted numerous inequitable conduct counterclaims against Plaintiff. ECF No. 253. By Opinion and Order of May 22, 2015, the Court denied Plaintiff's motion to strike a number of Defendants' inequitable conduct counterclaims. ECF No. 325. After a bench trial on Defendants' inequitable conduct counterclaims and a number of post-trial motions, the Court entered final judgment on Plaintiff's First Amended Complaint in favor of Defendants on August 11, 2016. Judgment, ECF No. 547. On August 24, 2016, Defendants filed a Motion for Exceptional Case Finding and Attorneys' Fees, requesting the Court to grant Defendants attorneys' fees under the "exceptional case" provision of 35 U.S.C § 285. ECF No.

549. On September 1, 2016, Plaintiff filed a Notice of Appeal to the Court of Appeals for the Federal Circuit, appealing the entry of final judgment.<sup>1</sup> ECF No. 551. Thus, at this time, a motion for attorneys' fees is pending before this Court and an appeal on the merits is pending before the Federal Circuit.

The Patent Act provides: "The court in exceptional cases may award reasonable attorney fees to the prevailing party." 35 U.S.C. § 285. "[A]n 'exceptional' case is simply one that stands out from others with respect to the substantive strength of a party's litigating position (considering both the governing law and the facts of the case) or the unreasonable manner in which the case was litigated." Octane Fitness, LLC v. ICON Health & Fitness, Inc., 134 S. Ct. 1749, 1756 (2014). A party wishing to recover attorneys' fees pursuant to Section 285 must comply with Federal Rule of Civil Procedure 54. IPXL Holdings, L.L.C. v. Amazon.com, Inc., 430 F.3d 1377, 1386 (Fed. Cir. 2005). Rule 54 provides:

(A) Claim to Be by Motion. A claim for attorney's fees and related nontaxable expenses must be made by motion unless the substantive law requires those fees to be proved at trial as an element of damages.

(B) Timing and Contents of the Motion. Unless a statute or a court order provides otherwise, the motion must:

(i) be filed no later than 14 days after the entry of judgment;

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<sup>1</sup> At this time, no briefs have been filed in this case at the Court of Appeals for the Federal Circuit.

- (ii) specify the judgment and the statute, rule, or other grounds entitling the movant to the award;
- (iii) state the amount sought or provide a fair estimate of it; and
- (iv) disclose, if the court so orders, the terms of any agreement about fees for the services for which the claim is made. . . .

Fed. R. Civ. P. 54(d)(2). In its notes regarding the 1993 amendments to Rule 54, the Advisory Committee suggested that "[i]f an appeal on the merits of the case is taken, the court may rule on the claim for fees, may defer its ruling on the motion, or may deny the motion without prejudice, directing under subdivision (d)(2)(B) a new period for filing after the appeal has been resolved." Id. Advisory Committee Notes (1993 Amendments). And the Advisory Committee also suggested that "if the claim for fees involves substantial issues or is likely to be affected by the appellate decision, the district court may prefer to defer consideration of the claim for fees until after the appeal is resolved." Fed. R. Civ. P. 58 Advisory Committee Notes (1993 Amendments).

Defendants' motion for an exceptional case finding and attorneys' fees is DENIED WITHOUT PREJUDICE. Denial is appropriate because the appeal currently pending before the Federal Circuit involves substantial and novel issues about Plaintiff's patent infringement claims that may affect resolution of whether this case is exceptional with "respect to

the substantive strength of a party's litigating position." Octane Fitness, 134 S. Ct. at 1756; see, e.g., Pacing Techs., LLC v. Garmin Int'l, Inc., No. 12-CV-1067-BEN JLB, 2014 WL 2872219, at \*2 (S.D. Cal. June 24, 2014) ("Dismissal allows the parties an opportunity to argue the merits of the motion in light of the appellate disposition, should [movant] choose to renew its motion."); Walker Digital, LLC v. Expedia, Inc., Civ. Nos. 11-313-SLR, 12-140-SLR, 12-141-SLR, 12-142-SLR, 2013 WL 5662145, at \*2 (D. Del. Oct. 16, 2013) (unpublished) (denying without prejudice motions for attorneys' fees in light of a pending appeal to the Federal Circuit).

For the forgoing reasons, the Court DENIES WITHOUT PREJUDICE Defendants' Motion for Exceptional Case Finding and Attorneys' Fees, ECF No. 549. Defendants may re-file such motion within fourteen (14) days after the Federal Circuit issues a mandate finalizing judgment on the merits of Plaintiff's pending appeal (No. 16-2605).

The Clerk is REQUESTED to send a copy of this Memorandum Order to all counsel of record.

IT IS SO ORDERED.

  
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Mark S. Davis  
UNITED STATES DISTRICT JUDGE

Norfolk, Virginia  
November 21, 2016