

FILED

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

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CLERK OF DISTRICT COURT
WESTERN DISTRICT OF TEXAS

BY: _____

**VERSATA SOFTWARE, INC. and
VERSATA DEVELOPMENT GROUP,
INC.,**

Plaintiffs,

**CAUSE NO.:
A-13-CA-00371-SS**

-vs-

**ZOHO CORPORATION,
Defendant.**

ORDER

BE IT REMEMBERED on this day the Court reviewed the file in the above-styled cause, and specifically Defendant Zoho Corporation (Zoho)'s Motion for Attorneys' Fees [#243], Plaintiffs Versata Software, Inc. and Versata Development Group, Inc. (collectively, Versata)'s Response [#251-2] in opposition, Zoho's Reply [#254] in support, Versata's Sur-Reply [#256] in opposition, and Zoho's Corrected Supplemental Reply [#261]; as well as Zoho's Bill of Costs [#249], Versata's Objections [#258], and Zoho's Response [#262].¹ Having reviewed the documents, the arguments of the parties at the hearing, the governing law, and the file as a whole, the Court now enters the following opinion and orders.

Background

This case involves a patent infringement suit brought by Versata against Zoho. At issue is United States Patent Number 7,092,740 (the '740 Patent), which was issued in 2006 and is titled "High Density Information Presentation Using Space-Constrained Display Device." As recounted in the Court's prior Orders, the '740 Patent provides for a method of presenting

¹ The Court also considered Zoho's Motion for Extension of Time to File Bill of Costs and Motion for Attorneys' Fees [#242] and Motion for Leave to File Response to Sur-Reply [#259], which are hereby DISMISSED AS MOOT. Versata's Motion for Leave to File Sealed Document [#251] is GRANTED.

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information on a “space-constrained display of a portable device” by permitting users to select only information they wish to see on a device and to represent this information using a compact graphical representation. Versata, the assignee of the ’740 Patent, claims Zoho’s software infringes this patent by operating on the allegedly “space-constrained displays” of smartphones or tablets.

The Court, through Special Master Karl Bayer, held two *Markman* hearings in this case, the first on May 28, 2014, and the second on July 31, 2014. The Special Master issued his Report and Recommendation on September 26, 2014, which the Court accepted with two modifications relating to the ’740 Patent on January 15, 2015.² *See* R. & R. [#81]; Order of Jan. 15, 2015 [#88]. Zoho then filed two motions for summary judgment: in the first motion, Zoho argued the ’740 Patent was invalid because it embodies an abstract idea, and in the second motion, it argued in part that the ’740 Patent was invalid for indefiniteness. *See* First Mot. Summ. J. [#93] at 7; Second Mot. Summ. J. [#157] at 5. The Court denied Zoho’s first motion, but granted its second, concluding the ’740 Patent fails to “particularly point[] out and distinctly claim [] the subject matter which the patentee regards as his invention.” Order of Oct. 3, 2016 [#240] at 14 (quoting 35 U.S.C. § 112, ¶ 2). Specifically, the Court found the term “space-constrained display,” which is contained in all of the asserted claims of the ’740 Patent, was indefinite because it failed to establish any boundary enabling a skilled artisan to distinguish between a display that is space constrained and one that is not. *Id.* at 12. The Court entered a take nothing judgment on all of Versata’s claims. *See* Judgment of Oct. 3, 2016 [#241].

Zoho now moves for an award of attorneys’ fees under 35 U.S.C. § 285, arguing this case is “exceptional” because Versata proposed an objectively unreasonable claim construction

² After the Court entered its claim construction Order, the parties stipulated to Zoho’s non-infringement of two unrelated patents: United States Patent Number 6,834,282 (the ’282 Patent) and United States Patent Number 6,907,414 (the ’414 Patent). Thus, the only claims remaining in the lawsuit related to the ’740 Patent.

position in order to accuse Zoho of infringement while simultaneously avoiding a finding of invalidity. Zoho seeks an award of \$1,144,928.50 in attorneys' fees and \$70,415.46 in costs. Zoho's motion and bill of costs have been fully briefed and are now ripe for the Court's consideration.

Analysis

I. Attorneys' Fees

A. Legal Standard

Section 285 of the Patent Act authorizes a district court to award attorneys' fees in patent litigation. It provides, in its entirety, that "[t]he court in exceptional cases may award reasonable attorney fees to the prevailing party." 35 U.S.C. § 285. The Supreme Court changed the standard for what it means for a case to be "exceptional" in *Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, 134 S. Ct. 1749 (2014). The previously prevailing standard originated in *Brooks Furniture Manufacturing, Inc. v. Dutilier International, Inc.*, 393 F.3d 1378 (2005), in which the Federal Circuit held "[a] case may be deemed exceptional" under § 285 in only two limited circumstances: "when there has been some material inappropriate conduct," or when the litigation is both "brought in subjective bad faith" and "objectively baseless." *Id.* at 1381. The Supreme Court, however, held the *Brooks Furniture* standard was inconsistent with the statutory text. *Octane Fitness*, 134 S. Ct. at 1752–53. Specifically, the *Octane Fitness* Court found "[t]he framework established by the Federal Circuit in *Brooks Furniture* is unduly rigid, and it impermissibly encumbers the statutory grant of discretion to district courts." *Id.* at 1755.

In place of the *Brooks Furniture* standard, the Supreme Court held:

[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. District courts may determine whether a case is "exceptional"

in the case-by-case exercise of their discretion, considering the totality of the circumstances.

Id. at 1756.

In addition, the Supreme Court rejected the Federal Circuit's requirement that entitlement to fees be established by clear and convincing evidence. *Id.* at 1758. Instead, the Court held "Section 285 demands a simple discretionary inquiry; it imposes no specific evidentiary burden . . ." *Id.* (suggesting a preponderance-of-the-evidence standard to be appropriate).

B. Application

For purposes of § 285, the Court concludes Versata's claim construction position does not make this case "exceptional."

In rejecting the Federal Circuit's rigid formulation of § 285's fee shifting directive, the *Octane Fitness* Court suggested courts may determine whether a case is "exceptional" by considering "nonexclusive factors," including the objective unreasonableness of the factual or legal components of a case. 134 S. Ct. at 1756 n.6. There is no specific test to determine the substantive strength of a litigant's position or when such a position is objectively unreasonable. But "[a] party's position on issues of law ultimately need not be correct for them to not 'stand out,' or be found reasonable." *SFA Sys., LLC v. Newegg Inc.*, 793 F.3d 1344, 1348 (Fed. Cir. 2015) (quoting *Octane Fitness*, 134 S. Ct. at 1756). Even if a party's position is ultimately meritless, the question is whether it was "so meritless as to 'stand out' from the norm and, thus, be exceptional." *Id.* (quoting *Octane Fitness*, 134 S. Ct. at 1756). "Since *Octane*, district courts tend to award fees based on substantive weakness when a party fails to adduce any evidence to support its position or the party advances a position conclusively contradicted by the evidence." *RLIS, Inc. v. Cerner Corp.*, No. 3:12-CV-209, 2015 WL 5178072, at *1 (S.D. Tex. Sept. 3, 2015).

Zoho maintains Versata's claim construction position regarding the term "space-constrained display of a portable device" was so unreasonable as to make this case exceptional. Specifically, Zoho points to Versata's position that laptops fall outside the scope of the '740 Patent because they are not "portable devices." According to Zoho, Versata adopted this claim construction position in order to avoid the conclusion that the patent was anticipated by prior art designed to operate on the space-constrained displays of laptops. By adopting such an interpretation, Versata was forced to argue that the display of a modern-day smartphone or tablet is space constrained, while an early 2000s laptop with a smaller and lower resolution display is not. This, Zoho contends, is an objectively unreasonable claim construction position because it contradicts both intrinsic and extrinsic evidence.

Versata insists, however, that Zoho mischaracterizes its position regarding "portable devices." In its response to Zoho's summary judgment motion, Versata argued the '740 Patent does not encompass laptops because laptops are not included in the list of devices mentioned in the patent, even though laptops were well-known in the art prior to the patent application. Pls.' Resp. to Def.'s Second Mot. Summ. J. [#188] at 3. According to Versata, "[t]his is fundamentally different from saying that laptops are not 'portable devices' under a lay dictionary definition, which is an argument that Versata never made." Mot. Seal [#251-2] (Pls.' Resp. to Mot. Att'y Fees) at 8 n.3. As Versata's counsel made clear at the September 28, 2016 hearing, Versata proposed a technical definition of "portable device" which contemplates only handheld devices. Sept. 28, 2016 Hr'g Tr. [#255] at 15:24-16:13. Under this definition, laptops are not "portable devices" because they cannot be held in one hand and operated with the other hand. *Id.* at 13:4-5.

The Court does not agree with Zoho that Versata's argument is so objectively unreasonable as to make this case exceptional. According to Zoho, Versata's claim construction position contravenes the ordinary meaning of the term "laptop," which Microsoft Computer Dictionary defines as a "portable . . . computer" and which Versata's own witnesses recognized is portable "in some ordinary understanding" of the word. *See Laptop*, MICROSOFT COMPUTER DICTIONARY (4th ed. 1999); Sept. 28, 2016 Hr'g Tr. [#255] at 17:21. But as the Federal Circuit stated, "[i]n construing claims, the analytical focus must begin and remain centered on the language of the claims themselves, for it is that language that the patentee chose to use 'to particularly point[] out and distinctly claim[] the subject matter which the patentee regards as his invention.'" *Interactive Gift Express, Inc. v. Compuserve Inc.*, 256 F.3d 1323, 1331 (Fed. Cir. 2001) (quoting 35 U.S.C. § 112, ¶ 2). Indeed, "the context of the surrounding words of the claim also must be considered in determining the ordinary and customary meaning of those terms." *ACTV, Inc. v. Walt Disney Co.*, 346 F.3d 1082, 1088 (Fed. Cir. 2003).

In this case, the only "portable device" described in the specification is a "web-enabled mobile phone," and the only illustration of a portable device with a space-constrained display is a 2001 mobile phone. Compl. [#1-3] Ex. 3 ('740 Patent) at col. 1 ll. 21, 30–31. But Claims 14 and 40 specifically list examples of a "portable device," which includes a phone, a personal digital assistant, a pager, a palm- or handheld-computer, a digital media player, and a "communications-enabled portable device." '740 Patent at col. 9 ll. 6–14, col. 11 ll. 23–28. According to Zoho, because "[l]aptops at the time the '740 patent application was filed were plainly 'communications-enabled portable devices,'" nothing in the intrinsic record supports Versata's claim that a laptop is not a "portable device." However, a more limited reading of the term "portable device"—such as the one Versata proposes—may be inferred when the claim language

is considered in the context of the words surrounding it. Indeed, the five examples of “portable devices” listed before “communications-enabled portable device” could reasonably be construed as handheld devices. ’740 Patent at col. 9 ll. 8–12 (listing a phone, a personal digital assistant, a pager, a palm- or handheld-computer, and a digital media player). As the Supreme Court has recognized, “words grouped in a list should be given related meaning.” *Dole v. United Steelworkers of America*, 494 U.S. 26, 36 (1990). If a “communications-enabled portable device” is understood to be analogous to the examples preceding it, then the term would comprise only communications-enabled devices which are handheld.

Zoho relies on the Federal Circuit’s opinion in *Taurus IP, LLC v. DaimlerChrysler Corp.* for the proposition that courts have found infringement claims objectively baseless “[w]hen patentees have sought unreasonable claim constructions divorced from the written description.” 726 F.3d 1306, 1326–27 (Fed. Cir. 2013). As the above analysis indicates, however, this is not a case where the patentee’s claim construction was wholly divorced from the written description. The Court therefore finds Versata’s proposed construction is not so unreasonable as to make this case exceptional.

Zoho argues Versata’s narrow definition of “portable device”—which excludes laptops because they are not “handheld”—was only adopted to avoid the “inevitable conclusion that either Zoho did not infringe, or the patent was invalid,” presumably for anticipation or indefiniteness. Reply [#254] at 5. However, Zoho admits this case is not exceptional because the Court found the patent was invalid for indefiniteness. *Id.* at 2 (“Zoho does not seek fees . . . merely because the patent was ultimately held indefinite. That is not why this case is exceptional[.]”). And despite Zoho’s conclusory assertions that a finding of non-infringement or anticipation was “inevitable,” the Court resolved none of the fact issues bearing on the merits of

these claims in granting Zoho's motion for summary judgment based on indefiniteness. The Court is therefore unable to determine whether Versata's infringement and anticipation arguments are "conclusively contradicted by the evidence." *Cerner Corp.*, 2015 WL 5178072, at *1.

Because the Court finds Versata's claim construction position is not objectively unreasonable, Zoho's motion for attorneys' fees is DENIED.

II. Bill of Costs

A. Legal Standard

As the prevailing party, Zoho moves for its costs. "Unless a federal statute, these rules, or a court order provides otherwise, costs—other than attorney's fees—should be allowed to the prevailing party." FED. R. CIV. P. 54(d). Rule 54(d)(1) "contains a strong presumption that the prevailing party will be awarded costs." *Pacheco v. Mineta*, 448 F.3d 783, 793 (5th Cir. 2006). This presumption in favor of awarding costs means "the prevailing party is prima facie entitled to costs," and the denial of costs is "in the nature of a penalty." *Id.* at 793–94 (citation omitted). A court "may neither deny nor reduce a prevailing party's request for costs without first articulating some good reason for doing so." *Id.* at 794 (citation omitted).

A district court generally has wide discretion in awarding costs, but this discretion is not unfettered. *See Crawford Fitting Co. v. J.T. Gibbons, Inc.*, 482 U.S. 437, 441–42 (1987). The court's discretion in taxing costs against an unsuccessful litigant is limited to the following recoverable costs:

- (1) Fees of the clerk and marshal;
- (2) Fees for printed or electronically recorded transcripts necessarily obtained for use in the case;
- (3) Fees and disbursements for printing and witnesses;

- (4) Fees for exemplification and the costs of making copies of any materials where the copies are necessarily obtained for use in the case;
- (5) Docket fees under section 1923 of this title; and
- (6) Compensation of court appointed experts, compensation of interpreters, and salaries, fees, expenses, and costs of special interpretation services under section 1828 of this title.

28 U.S.C. § 1920. The party seeking to recover costs bears the burden of proving the amount of the costs and their necessity. *Holmes v. Cessna Aircraft Co.*, 11 F.3d 63, 64 (5th Cir. 1994).

B. Application

In its bill of costs, Zoho requests an award of \$70,415.46. Versata objects to more than seventy items in Zoho's bill of costs, claiming Zoho overstates its recoverable costs by at least \$30,679.14. Specifically, Versata claims the bill of costs includes expenses from unnecessary transcript fees—namely video deposition transcripts, expedited transcripts, and *Markman* hearing transcripts—and unrecoverable fees for “exemplification and copies.” Versata does not, however, challenge Zoho's request to recover fees paid to the clerk or fees for service of subpoenas. The Court therefore grants Zoho these costs in the amount of \$742.28. The Court addresses Versata's objections separately below.

i. Transcript Fees

Zoho seeks \$46,621.07 in “[f]ees for printed or electronically recorded transcripts necessarily obtained for use in this case.” Bill of Costs [#249] at 1. This figure is derived from costs incurred in connection with printed and electronically recorded deposition transcripts, as well as court transcripts from certain pretrial hearings. Versata objects to a variety of these requested costs, namely the costs related to video depositions, expedited transcripts, and transcripts from the two *Markman* hearings.

1. Video Depositions

Versata objects to the costs of video recordings of depositions, claiming these expenses were not necessary to the ultimate resolution of the case. Specifically, Versata argues Zoho may not recover costs for both paper transcripts and video recordings of the same depositions, because the video deposition costs were primarily for the convenience of Zoho.

Costs related to electronically recorded transcripts, like printed transcripts, are recoverable when they are necessarily obtained for use in the case. 28 U.S.C. § 1920. “[A] deposition need not be introduced into evidence at trial in order to be ‘necessarily obtained for use in the case.’” *Fogleman v. ARAMCO*, 920 F.2d 278, 285 (5th Cir.1991). “If, at the time it was taken, a deposition could reasonably be expected to be used for trial preparation, rather than merely for discovery, it may be included in the costs of the prevailing party.” *Id.*

Courts do not generally award costs for both transcripts and videos. *See, e.g., Structural Metals, Inc. v. S & C Elec. Co.*, No. SA-09-CV-984-XR, 2013 WL 3790450, at *1 (W.D. Tex. July 19, 2013); *see also HEI Res. E. OMG Joint Venture v. S. Lavon Evans*, Civ. A. No. 5:07–CV–62, 2010 WL 536997, at *5 (S.D. Tex. Feb. 10, 2010) (“The undersigned will not allow Plaintiff to recover nearly double the costs for a deposition transcript merely for the convenience of having the deposition record in both written and electronic format.”); *Stephens v. City of Austin*, No. 1:12-CV-659-DEA, 2015 WL 778836, at *4 (W.D. Tex. Feb. 24, 2015) (“[W]here cases are not particularly complex and the plaintiff would have been available for trial testimony, the majority of courts find that video deposition costs are unwarranted.”). Yet in complex cases where witnesses may be unavailable for testimony at trial or where the parties anticipate using the video testimony at trial for other reasons, courts may consider video deposition costs reasonably necessary. *See Fatava v. Nat'l Oilwell Varco, LP*, No. 2:12–CV–82, 2014 WL

5822781, at *2 (S.D. Tex. Nov.10, 2014) (collecting cases and permitting video deposition costs in part because it was unclear at the time of depositions if the plaintiffs would be available to attend trial).

Although this case did not proceed to trial, Zoho has shown certain video depositions were necessarily obtained for use in this case. As an initial matter, the Court has no trouble concluding this was a complex case where videotaped deposition costs may have been reasonably necessary. Moreover, Zoho has shown that both parties contemplated presenting video depositions at trial. Zoho's counsel attests the parties planned on calling numerous witnesses at trial by deposition. Def.'s Resp. to Pls.' Obj. [#262-1] Ex. A (Marton Supp. Decl.) ¶ 2. Indeed, in its pretrial filing of its witness list, Zoho listed nine witnesses as "potentially [appearing] by deposition" at trial. *See* Def.'s Witness List [#231] at 2. Versata itself listed fourteen witnesses who may be called "by deposition." Pls.' Witness List [#221] at 1-2. For these witnesses, the Court awards Zoho its video deposition costs.

For those witnesses not disclosed as "potentially [appearing] by deposition" at trial, Zoho maintains it planned to use the videotaped depositions for impeachment purposes, even if the witnesses were available to testify in person. As one Texas district court noted in *Structural Metals*, however, generally "copies of video depositions of a party's *own witnesses* who can be expected to appear live at trial are not necessarily obtained for use in the case." 2013 WL 3790450, at *4 (emphasis added). In this case, Zoho made no effort to explain why video depositions of its own witnesses were necessarily obtained, for instance, by specifically identifying which witnesses it expected to impeach by video deposition. As such, the Court finds Zoho cannot recover video deposition costs associated with the witnesses who may have appeared live at trial.

These witnesses are Raj Sabholk, Shailesh Kumar Davey, Brad Myers, Nisha Mody, Prabhu Rakmachandran, Gibu Kurian Mathew, and Itamar Simonson. *See* Def.'s Witness List [#231] at 2. Versata specifically objects to \$4,184.36 in video deposition costs associated with these witnesses. Pls.' Obj. [#258] at 3–6. Zoho's requested costs for transcripts are therefore reduced by \$4,184.36, for a total award of \$42,436.71 (\$46,621.07 - \$4,184.36).

2. Expedited Transcripts

Zoho seeks to recover costs for expedited transcripts and real-time transcription. Versata again objects on the basis that these transcripts were obtained for simple convenience. The Court, however, is satisfied that certain expedited drafts of transcripts were necessarily obtained. For instance, as Zoho points out, the Court's scheduling order required the parties to file objections to an expert's proposed testimony within eleven days of the expert's deposition. Order of Feb. 20, 2015 [#89] ¶ 4. Given the complexity of this patent lawsuit and the Court's demanding scheduling order, obtaining expedited drafts of certain transcripts in order to prepare *Daubert* motions was both reasonable and necessary.

Moreover, Zoho contends there were multiple occasions when Versata withheld its witnesses for depositions, making expedited transcripts necessary in order to prepare for trial. For example, Versata did not provide Danielle Royston (a business executive for Versata), Lance Jones (Versata's former General Counsel), and Andy Price (Versata's CFO) until two weeks before the parties' pretrial conference and the hearing on Zoho's motion for summary judgment, despite Zoho's repeated efforts to schedule these depositions earlier. Marton Supp. Decl. ¶ 4. In light of the foregoing, the Court finds Zoho satisfied its burden of showing these expedited transcripts were necessary to prepare many of its pretrial filings, including its witness lists and deposition designations. *Ferrostaal, Inc. v. M/V TUPUNGATO*, No. 03 CIV. 4885 (MGC), 2008

WL 2796644, at *2 (S.D.N.Y. July 16, 2008) (“Because the deposition transcript was expedited in order to meet the deadline for the joint pre-trial order, the costs for that expedition were properly taxed.”).

Nevertheless, Zoho has withdrawn its request for \$5,063.60 in costs for expedited transcripts it did not immediately use. The Court therefore reduces Zoho’s total requested costs (\$42,436.71) by \$5,063.60, for an award of \$37,373.11.

3. *Markman* Hearing Transcripts

Versata challenges Zoho’s request to recover the costs of both *Markman* hearing transcripts. However, the Court finds these transcripts were necessarily obtained for use in this case. Following the first *Markman* hearing, the Special Master specifically ordered the parties to file additional briefing in preparation for a supplemental *Markman* hearing for which a transcript of the first *Markman* hearing was necessarily obtained. Moreover, unlike *Eastman Chemical Co. v. PlastiPure, Inc.*, No. A-12-CA-057-SS, 2013 WL 5555373, at *6 (W.D. Tex. Oct. 4, 2013), and *Structural Metals*, 2013 WL 3790450, at *2, which Versata apparently cites for the proposition that pretrial transcripts are not recoverable where counsel was available to take notes, a “note taker” would not have sufficed in these *Markman* hearings, especially since live testimony was given by experts at these proceedings. The Court therefore grants Zoho’s request for \$1,203.00 in transcript costs for both *Markman* hearings.

In sum, the Court awards Zoho \$37,373.11 in transcript costs, which reflects the deduction in costs from the video depositions Zoho did not show were necessary and the expedited transcripts Zoho admitted it did not immediately use.

ii. Fees for Exemplification and Copies

Zoho seeks \$2,826.27 in “[f]ees for exemplification and the costs of making copies of any materials where the copies are necessarily obtained for use in the case.” Bill of Costs [#249] at 1. This figure is derived from costs associated with trial demonstratives, bench books, and other copies which Zoho alleges were necessary for use in this case. Versata objects to a number of these requests, including Zoho’s demonstrative electronic devices and its copying costs for Patent Trial and Appellate Board (PTAB) proceedings, file histories, and bench books. In response to Versata’s objections, Zoho withdrew its request for the challenged demonstrative costs, which reduces Zoho’s requested costs for copies by \$550.86 for a total request of \$2,275.41. The Court addresses Versata’s remaining objections in turn.

With respect to Versata’s challenge to copying fees for PTAB proceedings and file histories, the Court is unconvinced. A party may recover copying costs as long as the party “has a reasonable belief that the documents will be used ‘during trial or for trial preparation.’” *Rundus v. City of Dall., Tex.*, 634 F.3d 309, 316 (5th Cir. 2011) (quoting *Fogleman*, 920 F.2d at 285). As one Texas district court recently stated,

[T]he complete patent prosecution histories of the patent in suit, as well as the various prior art patents—although voluminous—are all documents directly pertinent to important issues in the case, and the Court finds that the cost of producing copies of those documents was “reasonably necessary to the maintenance of the action.”

Kroy IP Holdings, LLC v. Safeway, Inc., No. 2:12-CV-800-WCB, 2015 WL 5278457, at *1 (E.D. Tex. Sept. 9, 2015) (quoting *Summit Tech., Inc. v. Nidek Co.*, 435 F.3d 1371, 1378 (Fed. Cir. 2006)). Because the PTAB proceedings and file histories were directly pertinent to the issues in this case—namely, the evaluation of Versata’s infringement claim and Zoho’s invalidity defense—copies of the PTAB proceedings and file histories are recoverable.

Furthermore, the Court concludes Zoho's request for copying fees associated with bench books is partially recoverable. The bench books were made for the Court's convenience and therefore were necessarily obtained for use in this case. Moreover, Zoho made additional copies of the bench books to accommodate Versata's counsel, who Zoho claims would have objected had Zoho not provided opposing counsel copies during the hearing. Zoho has therefore explained why three copies of the bench books were necessary: one for itself, one for the Court, and one for opposing counsel. However, Zoho has given no explanation as to why four additional bench books were necessary. The Court therefore reduces Zoho's total requested copying costs (\$2,275.41) by \$265.43—4/7 of the \$464.51 requested for the seven bench books—for an award of \$2,009.98.

The Court offers the following summary of the taxable costs allowed for Zoho's bill of costs:

Costs	Amount Sought	Amount Allowed
Cost of the Clerk	\$300.00	\$300.00
Fees for Service of Summons and Subpoena	\$442.28	\$442.28
Fees for Transcripts	\$46,621.07	\$37,373.11
Fees for Exemplification and Copies	\$2,826.27	\$2,009.98
Fees for Court-Appointed Experts	\$20,225.84	\$20,225.84
Total	\$70,415.46	\$60,351.21

Conclusion

Accordingly,

IT IS ORDERED that Zoho's Motion for Extension of Time to File Bill of Costs and Fees Motion [#242] and Motion for Leave to File Response to Sur-Reply [#259] are DISMISSED AS MOOT;

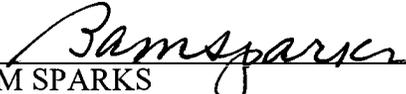
IT IS FURTHER ORDERED that Versata's Motion for Leave to File Sealed Document [#251] is GRANTED;

IT IS FURTHER ORDERED the Defendant Zoho Corporation's Motion for Attorneys' Fees [#243] is DENIED;

IT IS FURTHER ORDERED that Defendant Zoho Corporation's Bill of Costs [#249] is PERMITTED IN PART and DENIED IN PART as described in this opinion; and

IT IS FINALLY ORDERED that the Clerk of Court tax costs against Plaintiffs Versata Software, Inc. and Versata Development Group, Inc. in the amount of SIXTY THOUSAND THREE HUNDRED FIFTY-ONE AND 21/100 DOLLARS (\$60,351.21).

SIGNED this the 14th day of February 2017.



SAM SPARKS
UNITED STATES DISTRICT JUDGE