

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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HOCKEYLINE, INC.,  
  
Plaintiff,  
  
-against-  
  
STATS LLC,  
  
Defendant.

No. 13-cv-1446 (CM)

**DECISION AND ORDER DENYING DEFENDANT’S MOTION FOR ATTORNEY FEES AND GRANTING IN PART AND DENYING IN PART DEFENDANT’S MOTION FOR REVIEW OF THE CLERK’S DENIAL OF COSTS**

McMahon, C.J.:

After this Court entered final judgment in favor of it in the above captioned proceeding, Defendant STATS LLC (“STATS”) filed a motion for attorney fees under 35 U.S.C. § 285 and a motion for review of the Clerk’s denial of costs.

For the reasons stated below, STATS’s motion for attorney fees is DENIED; STATS’s motion for review of Clerk’s denial of costs is GRANTED IN PART and DENIED IN PART.

**FACTUAL BACKGROUND**

The motions arise out of a patent infringement action filed in this Court in 2013.

Plaintiff Hockeyline, Inc. (“Hockeyline”) is a Canadian corporation organized and existing under the laws of the Province of Prince Edward Island, with its principal place of business in Cornwall, Prince Edward Island, Canada. (Compl. ¶ 2.) Plaintiff is an internet-based company that supplies information on hockey at all levels. (Dkt. No. 57, Ex. 1 at 2.)

Defendant STATS is a Delaware corporation, with its corporate headquarter in Northbrook, Illinois. (Compl. ¶ 3.) Defendant is a sports information firm that “collects, stores and delivers real-time and proprietary historical information” related to sports games, covering more than 230 leagues around the world. (Dkt. No. 56, Ex. 3 at 2-3.)

Prior to this lawsuit, Plaintiff owned the '107 patent, entitled “Electronic Scorekeeping Device and System Therefor,” filed December 11, 2001 and issued April 20, 2004, which claimed foreign application priority to Plaintiff’s Canadian patent, CA 2328048, filed December 11, 2000. (Dkt. No. 56, Ex. 5 at 2.) The electronic scorekeeping device is for “gathering, processing, and distributing statistical information related to a sports game.” (*Id.* at 3.)

Claim 1 of the '107 patent, the only independent claim at issue, describes the device as comprising of input means, memory means, information transfer means, and display means that displays “a plurality of hierarchical menu-based screens that may be customized by the user to reflect desired data that is to be gathered for said sports game,” with all said means coupled to a processor. (Dkt. No. 56, Ex. 7 at 6.)

Plaintiff accused Defendant’s SportVU and data collection computers of infringing claim 1 of the '107 patent. (Dkt. No. 56, Ex. 3 at 7.) Plaintiff alleged that the components and processes used in connection with SportVU also infringed claims 2, 8, 9, 10, 11, 12, and 30 of the '107 patent, all of which depend from claim 1 and are not independent claims themselves. (*Id.* at 10-17.)

While the patent infringement action was pending in this Court, Defendant challenged the validity of the relevant claims of the '107 patent before the Patent Trial and Appeal Board (“PTAB”) through an *Inter Partes* Review (“IPR”). PTAB determined, and the Federal Circuit affirmed, that claim 1 and the ancillary claims at issue are unpatentable on anticipation and

obviousness grounds, pursuant to 35 U.S.C. § 102(b), § 102 (e), and § 103.<sup>1</sup> (Dkt. No. 56, Ex. 7 at 36.)

### PROCEDURAL HISTORY

On May 28, 2013, Plaintiff filed a patent infringement action against Defendant, identifying claims 1, 2, 8, 9, 10, 11, 12, and 30 of the '107 patent as the claims Defendant allegedly infringed. The Court's Claim Construction Order, dated December 16, 2013, found claim 9 invalid. (Dkt. No. 25.)

On March 17, 2014, Defendant filed a petition to the PTAB for an IPR to determine the validity of the remaining asserted claims of the '107 patent. The Court granted the parties' joint motion to stay litigation pending outcome of the proceeding before PTAB. (Dkt. No. 45.)

On September 15, 2015, PTAB issued a Final Written Decision, finding claims 1, 2, 8, 10, 11, 12, and 30 unpatentable. Plaintiff appealed PTAB's decision, and Federal Circuit affirmed the PTAB's decision on November 4, 2016.

This Court entered final judgment for STATS against Hockeyline on January 18, 2017. (Dkt. No. 53.)

On February 1, 2017, STATS filed the instant motion to declare this case exceptional and award fees under 35 U.S.C. § 285, seeking the recovery of reasonable attorney fees including fees incurred during the IPR and the appeal before the Federal Circuit. (Dkt. No. 54.)

Hockeyline filed the opposition to the motion on February 16, 2017. (Dkt. No. 58.)

On February 17, 2017, STATS filed a Bill of Costs with the Clerk, seeking the taxation of fees of the Clerk, fees for retrieving Hockeyline's patent file histories, fees for instituting the IPR, hard drive imaging fees, and fees for *Pro Hac Vice* admission and the Certificates of Good

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<sup>1</sup> The two prior art references anticipating Claim 1 of '107 patent are Hameen-Anttila and Defendant's own STATS Football Scoring Manual. (Dkt. No. 56, Ex. 7 at 36.)

Standing, for a total of \$24,765.86. (Dkt. No. 59.) Hockeyline filed objections to STATS's Bill of Costs on March 2, 2017. (Dkt. No. 61.) On March 3, 2017, the Clerk taxed fees of the Clerk for a total of \$400 but disallowed all other costs sought by STATS. (Dkt. No. 62.)

STATS filed the instant motion for review of the Clerk's denial of costs on March 10, 2017. (Dkt. No. 63.) Hockeyline filed its opposition on March 24, 2017. (Dkt. No. 65.)

## DISCUSSION

### **I. Defendant's Motion to Declare this Case Exceptional and to Award Attorney Fees Under 35 U.S.C. § 285**

#### **A. Legal Standard**

Section 285 of the Patent Act provides that, "The court in exceptional cases may award reasonable attorney fees to the prevailing party." 35 U.S.C. § 285. An "exceptional" case is "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).

"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.* In making this determination, district courts may consider a nonexclusive list of factors, including "frivolousness, motivation, objective unreasonableness (both in the factual and legal components of the case) and the need in particular circumstances to advance considerations of compensation and deterrence." *Id.* at 1756 n.6 (citation omitted). The movant need only establish "exceptional circumstances" under § 285 by a "preponderance of the evidence." *Id.* at 1758.

Finally, "it is the 'substantive strength of the party's litigating position' that is relevant to an exceptional case determination, not the correctness or eventual success of that position. 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) (citing *Octane Fitness*, 134 S. Ct. at 1756); *Gust, Inc. v. AlphaCap Ventures, LLC*, No. 15 Civ. 6192 (DLC), 2016 WL 7165983, at \*4 (S.D.N.Y. Dec. 8, 2016).

Exceptionalness is itself supposed to be the exception. The fact that a patent holder loses a case does not make it "exceptional." A case is not automatically exceptional because a patent was stricken for obviousness; after all, an obvious patent was originally allowed by a patent examiner.

## **B. Analysis**

This case is not "exceptional" under the totality of the circumstances test articulated in *Octane Fitness*. Hockeyline's lawsuit against STATS was not "frivolous" or "objectively unreasonable." The manner in which Hockeyline litigated its claims was not unreasonable. And there is no evidence that Hockeyline routinely instigates litigation in order to extract settlements from alleged infringers.

### **1. Objective Baselessness**

STATS argues that Hockeyline instituted and maintained a meritless infringement action because Hockeyline "could not have prevailed" in view of the breadth of its patent and the existence of prior art. Furthermore, it contends that the inconsistent claim constructions Hockeyline advanced – one to support its infringement claim in this Court and the other to defend the validity of its patent during IPR – makes Hockeyline's case objectively unreasonable. (Def.'s Mem. in Supp. of Mot. to Declare Case Exceptional, at 7.) In STATS's view, had Hockeyline prevailed in the IPR, its patent infringement action against STATS would have necessarily failed. The Court disagrees.

To be frivolous, or objectively baseless, the patentee's assertions – whether manifested in its infringement allegations or its claim construction positions – “must be such that no reasonable litigant could reasonably expect success on the merits.” *Taurus IP, LLC v. DaimlerChrysler Corp.*, 726 F.3d 1306, 1327 (Fed. Cir. 2013). Hockeyline's suit is not of such a frivolous nature.

STATS first argues that Hockeyline did not differentiate the transfer of “statistical information” from pure “inputted data” during claim construction in this Court, but in order to avoid prior art anticipation during the IPR, Hockeyline intentionally narrowed down its construction of “statistical information” as to require some form of calculation based on inputted data.

Contrary to STATS's assertion, Hockeyline has been consistent in its construction with respect to “statistical information.” Hockeyline's claim construction brief provides that the “statistical information” being transferred by an “information transfer means” comes from “[a] processor provides all computational functions related to the *calculation* of various statistics based on the statistical data input during the game.” (Pl.'s Cl. Construction Br., at 21-22.) There is nothing inconsistent between this claim construction and the position taken by Hockeyline during IPR. (*See* Dkt. No. 56, Ex. 7 at 19 (“[PTAB is] not persuaded by [Hockeyline's] argument that the transfer of statistical information . . . requires some form of *calculation* . . .”).)

In fact, during the claim construction phase in this Court, STATS challenged the claim relating to the transfer of statistical information as indefinite because it does not disclose “how the inputted data is used to generate any ‘statistical information,’” thus acceding to the difference between “statistical information” and “inputted data.” (*See* Def.'s Cl. Construction Br., at 15.)

If anything, it is STATS, not Hockeyline, that has switched its legal position with respect to the construction of “statistical information.”

STATS’s next contention concerns the construction of “a plurality of hierarchical menu-based screens that may be customized by the user to reflect desired data.”

In this Court, the parties disputed the meaning of “hierarchical menu-based screens,” but the manner of customization was not addressed. (*See* Suppl. *Markman* Ruling.) STATS nonetheless argues that the way that Hockeyline portrayed STATS’s alleged infringement is inconsistent with how Hockeyline construed “screen customization” during IPR. (Def.’s Mem. in Supp. of Mot. to Declare Case Exceptional, at 9-10.)

The Court finds no inconsistency between Hockeyline’s claim construction advanced before PTAB and its infringement contentions advanced in this Court. During IPR, Hockeyline argued that “[screens] customized by the user to reflect desired data” requires that the display means include a capability for the user to actually change the menus to collect less or more data than the default menus provided on the working screens. (Dkt. No. 56, at 10.) In other words, Hockeyline tried to differentiate its patent from prior art by allowing users to customize screens directly, rather than simply make a selection from a list of pre-defined menu options. (Dkt. No. 56, Ex. 10, at 10-13.)

Hockeyline’s infringement contentions, which STATS asks the Court to look at, stated that the STATS software includes an “EVENT” drop-down box *on the screen*, and that when one of the events is selected another screen shot will be activated enabling the user to gather the desired data. (Def.’s Mem. in Supp. of Mot. to Declare Case Exceptional, at 9-10; *see also* Dkt. No. 56, Ex. 4, at 8.) Hockeyline’s description of STATS’s allegedly infringing product is plainly

consistent with its construction of “screen customization” – namely, the screen must have the capability of being modified by a user, a feature the STATS software allegedly does possess.

To show that Hockeyline’s success in the IPR would necessarily have precluded it from prevailing on the infringement action in this Court, STATS argues that “[i]f STATS’s prior art systems [that would anticipate Hockeyline’s patent] did not have the customizations as described by Hockeyline’s infringement contentions, its subsequent systems also lacked them.” However, STATS fails to support this assertion with any evidence.

Hindsight judgment on the merits does not evidence the objective baselessness of Hockeyline’s infringement lawsuit. Although PTAB and the Federal Circuit ultimately disagreed with Hockeyline’s claim constructions and determined the claims at issue to be unpatentable – a conclusion with which I might well have agreed, given what I know about this patent – Hockeyline’s arguments are not frivolous; they are supported by the patent specification and other unchallenged claims, expert declarations, and Hockeyline’s Canadian patent. Therefore, the case is not “exceptional.” *Compare Taurus IP*, 726 F.3d at 1327 (awarding attorney fees because the written description provides no support for plaintiff’s “unreasonably broad construction”); *MarcTec, LLC v. Johnson & Johnson*, 664 F.3d 907, 919 (Fed. Cir. 2012) (awarding attorney fees because the specification and prosecution history clearly refutes plaintiff’s proposed construction); *Eon-Net LP V. Flagstar Bancorp*, 653 F.3d 1314, 1326 (Fed. Cir. 2011) (same). Put simply, this case does not “[stand] out from others with respect to the substantive strength of a party’s litigating position.” *Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, 134 S. Ct. 1749, 1756 (2014); *c.f. Anchor Sales & Marketing, Inc. v. Richloom Fabrics Group, Inc.*, No. 15-CV-4442 (RA), 2016 WL 6126388, at \*2 (S.D.N.Y. Oct. 20, 2016) (refusing to find the case exceptional even though plaintiff was estopped by prosecution history).



## 2. Manner of Litigation

Mere assertions that a party's arguments were without merit are unavailing; rather, courts are more likely to award fees where a party knew or willfully ignored evidence of its claims' meritlessness, where such meritlessness could have been discovered by basic pre-trial investigation, or where such meritlessness is made clear to the court early in the litigation. *Small v. Implant Direct Mfg. LLC*, No. 06 CIV. 683 NRB, 2014 WL 5463621, at \*3 (S.D.N.Y. Oct. 23, 2014), *aff'd*, 609 F. App'x 650 (Fed. Cir. 2015). By contrast, where a party has set forth some good-faith argument in favor of its position, it will generally not be found to have advanced "exceptionally meritless" claims. *Id.*

STATS argues that Hockeyline was or should have been aware of the prior art that anticipated its '107 patent. "A simple search of the USPTO database prior to this lawsuit would have alerted Hockeyline" to the prior art references and Hockeyline has not affirmatively indicated that it was unaware of them. (Def.'s Reply Mem. in Supp. Mot. to Decl. Case Exceptional, at 5.) STATS's argument is unpersuasive.

Patents are presumed valid under 35 U.S.C. § 282, and there exists a "presumption that the assertion of infringement of a duly granted patent is made in good faith." *Taurus IP, LLC v. DaimlerChrysler Corp.*, 726 F.3d 1306, 1326-27 (Fed. Cir. 2013). More importantly, STATS does not explain why a reasonable pre-suit investigation would indicate that the '107 Patent is invalid in view of these prior art references. "Practicing the prior art is irrelevant; it is the presence of the prior art and its relationship to the claim language that matters for invalidity." *Tate Access Floors v. Interface Architectural Res.*, 279 F.3d 1357, 1367 (Fed. Cir. 2002).

STATS further suggests that, after STATS prevailed before PTAB, it was unreasonable for Hockeyline to appeal to the Federal Circuit and to decline STATS's offer to "walk away."

(Def.'s Mem. in Supp. of Mot. to Declare Case Exceptional, at 11.) However, simply disagreeing with PTAB's and STATS's legal conclusions does not make Hockeyline's appeal unreasonable, given that Hockeyline was not advancing frivolous or objectively baseless arguments. *See Wi-Lan Inc. v. LG Elecs., Inc.*, No. 10 CIV. 0432 LAK AJP, 2013 WL 2322483, at \*7 (S.D.N.Y. May 10, 2013); *see also iLOR, LLC v. Google, Inc.*, 631 F.3d 1372, 1379 (Fed. Cir. 2011) (“[T]he fact that this court held oral argument . . . in the . . . appeal suggests that we did not regard the case as frivolous.”) I say again: a patent examiner who had access to all the prior art allowed this patent. It takes a great deal more than bringing and maintaining a lawsuit alleging infringement of a duly issued patent to qualify as “misconduct.”

Finally, although *Octane Fitness* denies that for a case to be exceptional there must be independently sanctionable misconduct, most post-*Octane* cases awarding fees continue to involve substantial litigation misconduct. *Small*, 2014 WL 5463621, at \*4 (citing cases that awarded fees upon finding of willful or egregious behavior); *see Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, 134 S. Ct. 1749, 1756 (2014).

STATS has presented no evidence that Hockeyline has engaged in any litigation misconduct.

### **3. Need for Deterrence**

The need for the deterrent impact of a fee award is greater when there is evidence that the plaintiff is a “patent troll” or has engaged in extortive litigation. *See Lumen View Tech., LLC v. Findthebest.com, Inc.*, 24 F. Supp. 3d 329, 336 (S.D.N.Y. 2014), *aff'd*, 811 F.3d 479 (Fed. Cir. 2016) (awarding fees when plaintiff's motivation was to extract a nuisance settlement from defendant); *Small*, 2014 WL 5463621, at \*4.

STATS asserts that “[b]y outward appearances, Hockeyline’s only ongoing business purpose is to assert its patent against STATS,” and “there is no evidence that Hockeyline engages in any other business.” (Def.’s Mem. in Supp. of Mot. to Declare Case Exceptional, at 13.)

STATS again fails to support its speculation with any concrete evidence. It points to no other patent infringement cases filed by Hockeyline, nor does it indicate that Hockeyline ever made an attempt to extract a settlement offer from STATS throughout the process. *See SFA Sys., LLC v. Newegg Inc.*, 793 F.3d 1344, 1350 (Fed. Cir. 2015) (denying the fee-shifting motion because defendant failed to “make a record supporting its characterization of [plaintiff’s] improper motivations”); *c.f. Lumen View*, 24 F. Supp. at 336 (awarding fees based on the finding that plaintiff filed numerous substantially similar lawsuits within a short time frame).

In conclusion, STATS does not meet its burden of proof that Hockeyline initiated an abusive action and needs deterrence.

## **II. Defendant’s Motion for Review of the Clerk’s Denial of Costs**

STATS filed a motion to review two specific costs denied by the Clerk: \$560 for the retrieval of Hockeyline’s patent file histories; and \$23,000 for the filing fee paid to the United States Patent and Trademark Office (“PTO”) to initiate the IPR proceeding.

### **A. Legal Standard**

Federal Rule of Civil Procedure 54(d)(1) states that “[u]nless a federal statute, these rules, or a court order provides otherwise, costs – other than attorneys’ fees – should be allowed to the prevailing party.” “Thus, ‘such an award against the losing party is the normal rule obtaining in civil litigation, not an exception.’” *Ayiloge v. City of New York*, No. 00 Civ. 5051 THK, 2002 WL 31907032, at \*1 (S.D.N.Y. Dec. 31, 2002) (citing *Whitfield v. Scully*, 241 F.3d

264, 270 (2d Cir. 2001), *abrogated in part on different grounds by Bruce v. Samuels*, 136 S. Ct. 627 (2016)).

Taxation of costs is governed by 28 U.S.C. § 1920, which explicitly grants “[a] judge or clerk of any court of the United States” discretion to tax costs against the losing party in any federal litigation. The statute enumerates six categories of expenses that may be taxed as costs: (1) fees of the court clerk and marshal; (2) fees for transcripts “necessarily obtained for use in the case;” (3) printing fees and witness fees; (4) copying fees “where the copies are necessarily obtained for use in the case;” (5) certain docket fees as enumerated in § 1923; and (6) fees of court-appointed experts and interpreters. Moreover, the Supreme Court recognizes that the discretion to tax costs “should be sparingly exercised with reference to expenses not specifically allowed by statute.” *Farmer v. Arabian American Oil Co.*, 379 U.S. 227, 235 (1964).

Local Civil Rule 54.1 (c) identifies ten categories of items that are taxable in the Southern District of New York: (1) transcripts; (2) depositions; (3) witness fees, mileage, and subsistence; (4) interpreting costs; (5) exemplifications and copies of papers; (6) maps, charts, models, photographs, and summaries; (7) attorney fees and related costs in limited circumstances; (8) fees of masters, receivers, commissioners, and court appointed experts; (9) costs for title searches; and (10) docket and miscellaneous fees.

“Local Civil Rule 54.1 governs to the extent that the Local Rule addresses a particular cost; however, if the Local Rule does not speak to a specific cost, then the Court must apply 28 U.S.C. § 1920’s more expansive standard.” *Balance Point Divorce Funding, LLC v. Scrantom*, 305 F.R.D. 67, 70 (S.D.N.Y. 2015).

Because taxing costs in civil litigation pursuant to Rule 54(d)(1), 28 U.S.C. § 1920, and Local Civil Rule 54.1 in favor of the prevailing party is the rule, not the exception, “the losing

party has the burden to show that costs should not be imposed” and, “[i]n light of the general rule, “when a prevailing party is denied costs, a district court must articulate its reasons for doing so.” *Whitfield*, 241 F.3d at 270 (citations omitted).

## **B. Analysis**

### **1. Costs for the Retrieval of Hockeyline’s Patent File Histories**

The Court agrees with STATS that the costs for retrieving Hockeyline’s ’107 patent file histories are taxable as “costs of making copies of any materials where the copies are necessarily obtained for use in the case” under 28 U.S.C. § 1920.

Courts have long held that costs of obtaining copies of patents, file wrappers, and file histories are taxable. *See In re Omeprazole Patent Litig.*, No. 00 CIV. 6749 BSJ, 2012 WL 5427849, at \*1 (S.D.N.Y. Nov. 7, 2012); *V-Formation, Inc. v. Benetton Grp. SpA*, No. 01 CIV.610 HB, 2003 WL 21403326, at \*3 (S.D.N.Y. June 17, 2003); *Motion Picture Patents Co. v. Universal Film Mfg. Co.*, 232 F. 263, 265 (S.D.N.Y. 1916); *see also Affymetrix, Inc. v. Multilyte Ltd.*, No. C 03-03779 WHA, 2005 WL 2072113, at \*3 (N.D. Cal. Aug. 26, 2005); *Endress & Hauser, Inc. v. Hawk Measurement Sys. Pty. Ltd.*, 922 F. Supp. 158, 161 (S.D. Ind. 1996).

Hockeyline argues that the file histories were not “necessarily obtained” because STATS could have obtained the copies less in a costly manner such as by requesting them from Hockeyline through discovery. (Pl.’s Resp. Mot. for Review of Clerk’s Denial of Costs, at 2.)

Neither the statute nor case law endorses such a narrow reading of “necessity,” which in Hockeyline’s view, means that a cost is taxable only if it is the *only* way the materials can be obtained. Rather, “necessity” requires that the materials are essential to the party’s cause and not merely for the convenience of counsel. *See, e.g., Perks v. Town of Huntington*, 331 F. App’x

769, 770 (2d Cir. 2009) (allowing the taxation of daily transcripts because both the court and defendants relied extensively on them); *Galella v. Onassis*, 487 F.2d 986, 999 (2d Cir. 1973). Hockeyline's patent file histories are necessarily obtained for purposes of claim construction and assessing patent validity in this Court and before PTAB.

Hockeyline fails to explain why STATS bears the burden of using the least costly means to obtain the file histories; nor does it show that the \$560 retrieval fee STATS seeks to recover is unreasonably high. Hockeyline does not address the accusation that it did not produce the file histories despite STATS's request to do so, making its argument even less persuasive. (Def.'s Mem. in Supp. Mot. for Review of Clerk's Denial of Costs, at 3.)

Therefore, the costs of obtaining the '107 patent file histories are taxable against Hockeyline.

## **2. Fees Paid in Connection with the *Inter Partes* Review**

STATS argues that the \$23,000 fee paid to institute the IPR is taxable as a fee of the Clerk, or alternatively, as a fee of commissioner. The Court disagrees.

Defendant has raised an issue of first impression in this Court. But courts from two other circuits have considered this issue and declined to tax fees paid for the PTAB review, and STATS fails to distinguish its own case. *See Credit Acceptance Corp. v. Westlake Servs., LLC*, No. CV 13-01523 SJO, 2016 U.S. Dist. LEXIS 181618, at \*11 (C.D. Cal. Jan. 5, 2016); *Clearlamp, LLC v. LKQ Corp.*, No. 12 Civ. 2533, 2016 WL 7013478, at \*1 (N.D. Ill. Nov. 30, 2016).

Like the litigants in *Credit Acceptance* and *Clearlamp*, STATS fails to convince the Court that such filing fees are taxable.<sup>2</sup> Plainly, “[t]hese filing fees were not paid to the Clerk, but rather to the USPTO.” *Credit Acceptance*, 2016 U.S. Dist. LEXIS 181618, at \*11.

STATS urges the Court to adopt a broad reading of “the Clerk” to include “other governmental entities other than this Court” because litigation “shifts to that venue” and the IPR is a “substitute for the district court proceeding.”

The Court disagrees that the litigation “shifted” to PTAB; PTAB merely determined the validity of Hockeyline’s patent, and this Court remained the adjudicator of the infringement suit. Moreover, “absent explicit statutory or contractual authorization for the taxation of the [litigant’s expenses] as costs, federal courts are bound by the limitations set out in [28 U.S.C. § 1920].” *Crawford Fitting Co. v. J. T. Gibbons, Inc.*, 482 U.S. 437, 445 (1987). The Court simply lacks the power to rewrite the statute to include “other governmental entities” in the definition of “the Clerk.”

STATS relies on *PPG Indus., Inc. v. Celanese Polymer Specialties Co.*, 840 F.2d 1565, 1569 (Fed. Cir. 1988), for the proposition that the prevailing party is entitled to recover expenses if proceedings at the PTO substituted for the district court litigation. *PPG* is inapposite because the court was speaking only to the awarding of attorney fees, and 35 U.S.C. § 285 authorizes a court to award attorney fees once it finds the case exceptional. That does not solve the problem that no statute authorizes a court to tax filing fees paid to the PTO.

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<sup>2</sup> STATS suggests that the *Clearlamp* court would have taxed the IPR deposition transcript costs had the defendant shown they were necessarily obtained. STATS fails to notice that transcript costs are authorized by the statute and local rules, but filing fees paid to USPTO are not. See 28 U.S.C. § 1920 (4); S.D.N.Y. & E.D.N.Y. L. Civ. R. 54.1 (c)(1).

STATS then argues that it would be absurd if “attorney fees *within* a substitute forum may be available, but the costs of *transferring* to that (more efficient) substitute forum are unreachable.” (Def.’s Mem. in Supp. Mot. for Review of Clerk’s Denial of Costs, at 5.) But the purported absurdity would hold for all the other deniable costs under 28 USC § 1920, and STATS has not made a case for why the IPR filing fee should be given special consideration.

STATS last argues that the “Commissioner for Patents” of the PTO fits for the purpose of “masters, receivers, and commissioners” under Local Civil Rule 54.1 (c)(8). The Court is not persuaded that the context warrants such a broad definition of “commissioner.” Given the fact that Local Civil Rule 54.1 (c)(8) lists “commissioners” together with “masters” and “receivers,” the Court agrees with Hockeyline that the traditional canon of *noscitur a sociis* applies. *See Dole v. United Steelworkers of Am.*, 494 U.S. 26, 36 (1990) (internal quotation marks omitted). “Masters” and “receivers,” in the context of litigation, refer to court-appointed judicial officers. “Commissioners,” then, as used in Local Civil Rule 54.1 (c)(8), is limited to the specific definition described above (i.e., “commissioner” as a court-appointed judicial officer). The Commissioner for Patents is not a judicial officer.

As a result, the fees paid to institute the IPR are not taxable against Hockeyline.

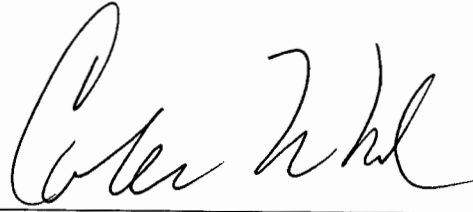
### CONCLUSION

For the foregoing reasons, STATS’s motion for attorney fees under 35 U.S.C. § 285 is DENIED. STAT’s motion for review of the Clerk’s denial of costs is GRANTED IN PART and DENIED IN PART. Specifically, the \$560 fee for retrieving patent file histories is taxable against Hockeyline, but the \$23,000 filing fee to institute the IPR is non-taxable.

The Clerk of the Court is directed to remove Docket Nos. 54 and 63 from the Court’s list of pending motions.



Dated: April 27, 2017

A handwritten signature in cursive script, appearing to read "Peter J. Hall". The signature is written in black ink and is positioned above a horizontal line.

U.S.D.J.

BY ECF TO ALL COUNSEL