

1 On January 9, 2015, the parties notified the court that reexamination had
2 concluded and that all asserted claims of the '770 Patent had been found invalid. The
3 court thus lifted the stay, and defendant filed a motion to find this an "exceptional
4 case," such that defendant would be entitled to attorney fees. 35 U.S.C. § 285. The
5 court granted defendant's motion, and defendant then filed its pending application for
6 fees.

7 DISCUSSION

8 In *Henlsey v. Eckerhart*, 461 U.S. 424 (1983), the Supreme Court provided the
9 following guidance as to determination of a reasonable fee award:

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11 The most useful starting point for determining the amount of a
12 reasonable fee is the number of hours reasonably expended on the
13 litigation multiplied by a reasonable hourly rate. This calculation provides
14 an objective basis on which to make an initial estimate of the value of a
15 lawyer's services. The party seeking an award of fees should submit
evidence supporting the hours worked and rates claimed. Where the
documentation of hours is inadequate, the district court may reduce the
award accordingly.

16 The district court also should exclude from this initial fee
17 calculation hours that were not "reasonably expended." S. Rep. No.
18 94-1011, p. 6 (1976). Cases may be overstaffed, and the skill and
19 experience of lawyers vary widely. Counsel for the prevailing party
should make a good faith effort to exclude from a fee request hours that
are excessive, redundant, or otherwise unnecessary, just as a lawyer in
private practice ethically is obligated to exclude such hours from his fee
submission.

20 *Id.* at 433-34.

21 Here, defendant requests fees of \$359,733.17, non-taxable costs of \$23,082.48,
22 and taxable costs of \$4,367.26, totaling \$387,182.91. [Doc. No. 50.] In support of
23 defendant's application, counsel attaches the invoices that defendant received and paid
24 for services rendered between June 2010 and April 2015. [Doc. No. 53-1 at 10-138.]
25 Defendant has paid all of the fees sought except for \$10,323, which counsel had not yet
26 billed when the fees application was filed. [Doc. No. 53-1 ¶ 16.]

27 Four attorneys billed to the case: Max Ciccarelli and Michael Heinlein, partners
28 with about twenty year's and fourteen years' experience, respectively, and Justin Cohen

1 and Vishal Patel, associates with about 8 years' experience each. They bill at the
2 following rates (depending on the invoice year):

3 Attorney	Hourly Rate
4 Max Ciccarelli	\$505 – \$625.50
5 Michael Heinlen	\$405 – \$535.50
6 Justin Cohen	\$345 – \$481.50
7 Visha Patel	\$270 – \$315

8 Plaintiff does *not* challenge these rates, and the court finds them reasonable.
9 Instead, plaintiff contends defendant must deduct half of the expenses billed to
10 defendant's fees motions and *all* expenses incurred during reexamination, reducing the
11 final award to \$205,784.38.

12 A. Reasonableness of "Fees on Fees"

13 Plaintiff does not deny that the prevailing party in an exceptional patent case may
14 recover reasonable fees incurred to obtain fees. *See, e.g., Mathis v. Spears*, 857 F.2d
15 749, 756 (Fed. Cir. 1988). Instead, without any targeted argument, plaintiff complains
16 that the amount defendant requests "seems tremendously excessive" [Doc. No. 55
17 at 5.]

18 Defendant seeks about \$65,000 for expenses incurred related to its exceptional-
19 case motion and its application for fees. [Doc. No. 53-1 at 4, ¶ 8 and at 125–138.]
20 Given the complexity of the exceptional-case motion, which required summarization
21 and analysis of the reexamination proceedings, as well as the volume of invoices
22 reviewed for the fees application, the court finds that both the hours expended on
23 defendant's fees motions and the resulting amount sought are reasonable.

24 B. Fees for *Inter Partes* Reexamination

25 The issue of whether a prevailing party in an exceptional case may recover fees
26 for proceedings before the PTO, when the case was stayed due to the PTO proceedings,
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1 has received little attention. Several courts have awarded fees for PTO proceedings,¹
2 others have not.²

3 The Federal Circuit “interpret[s] attorney fees to include those sums that the
4 prevailing party incurs in the preparation for and performance of legal services *related*
5 *to the suit.*” *Cent. Soya Co. v. Geo. A. Hormel & Co.*, 723 F.2d 1573, 1578 (Fed. Cir.
6 1983) (emphasis added). Here, the legal services counsel performed for defendant
7 during reexamination of the ’770 Patent were related to this suit. Reexamination was
8 initiated during and in reaction to plaintiff’s action here. Further, the PTO’s
9 cancellation of the asserted ’770 Patent claims on grounds of invalidity disposed of
10 plaintiff’s complaint here and made defendant the prevailing party. Thus, just as the
11 parties envisioned when they jointly moved to stay this case, the reexamination
12 proceedings essentially substituted for work that would otherwise have been done
13 before this court. *See PPG Indus., Inc.*, 840 F.2d at 1569 (the prevailing party was
14 “entitled to reasonable attorney fees based upon the premise that the reissue proceedings
15 substituted for the district court litigation on all issues considered by the PTO and the
16 Board.”). Thus, under the unique circumstances of this case, defendant may recover
17 fees for the reexamination proceedings.

18 Plaintiff also complains that defendant wrongly seeks fees for reexamination of
19 U.S. Patent No. 7,370,047 (“the ’047 Patent”), which is purportedly related to the ’770
20 Patent but was never asserted in this action. Defendant, in its application, states that it
21 “is not requesting fees and costs associated with the reexamination of the ’047 Patent,”
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23 ¹ *See IA Labs CA, LLC v. Nintendo Co.*, No. CIV. PJM 10-833, 2012 WL 1565296, at *4 (D.
24 Md. May 1, 2012) aff’d, 515 F. App’x 892 (Fed. Cir. 2013) (awarding fees for work done during
25 reexamination proceedings); *Howes v. Med. Components, Inc.*, 761 F. Supp. 1193, 1198 (E.D. Pa.
26 1990) (reexamination proceedings); *Scott Paper Co. v. Moore Bus. Forms, Inc.*, 604 F. Supp. 835,
27 838 (D. Del. 1984) (awarding fees for reissue proceedings); *PPG Indus., Inc. v. Celanese Polymer*
Specialties Co., 840 F.2d 1565, 1568 (Fed. Cir. 1988) (reissue proceedings); *Hickory Farms, Inc. v.*
Snackmasters, Inc., No. 05 C 4541, 2008 WL 4542961, at *1 (N.D. Ill. Apr. 2, 2008) (awarding fees
incurred in opposing an attempt to renew a lapsed trademark registration).

28 ² *See, e.g., Intellect Wireless, Inc. v. HTC Corp.*, No. 09 C 2945, 2015 WL 136142, at *9
(N.D. Ill. Jan. 8, 2015) (“To the extent the present fee petition contains time for work before the
USPTO, such time should not be included in the fee award.”)


1 and defendant attaches a chart detailing the time it deducted related to the reexamination
2 of the '047 Patent. [Doc. No. 50 at 4; Doc. No. 53-1 at 139.] Plaintiff complains that
3 “there are numerous time entries that include work related solely to the '047 Patent[]
4 and for work related to both the '047 Patent and the '770 Patent-in-Suit,” [Doc. No. 55
5 at 5], but plaintiff does not reference or challenge a specific entry. Without direction
6 from plaintiff, the court does not find any time entries that must be excluded because
7 they are not related to this litigation.

8 **CONCLUSION**

9 Plaintiff’s case is dismissed with prejudice, and defendant, as the prevailing
10 party, is awarded \$387,182.91 in attorney fees, taxable costs, and non-taxable costs.
11 The Clerk of Court shall close this case.

12 **IT IS SO ORDERED.**

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14 DATED: August 19, 2015

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16 **CATHY ANN BENCIVENGO**
17 United States District Judge
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