

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION**

WI-LAN INC.,	§	
	§	
Plaintiff,	§	Civil Action No. 6:10-cv-521-LED
	§	Civil Action No. 6:13-cv-252-LED
v.	§	CASES CONSOLIDATED FOR
	§	TRIAL
ALCATEL-LUCENT USA INC.; <i>et al.</i> ,	§	
	§	JURY TRIAL DEMANDED
Defendants.	§	
	§	

**UNOPPOSED JOINT MOTION OF PLAINTIFF WI-LAN INC., THE ERICSSON
DEFENDANTS, AND THE SONY MOBILE DEFENDANTS
FOR ENTRY OF PARTIAL FINAL JUDGMENT UNDER RULE 54(b)**

Pursuant to Federal Rule of Civil Procedure 54(b), Plaintiff Wi-LAN Inc. (“Wi-LAN”) and Defendants Telefonaktiebolaget LM Ericsson, Ericsson Inc. (“Ericsson”), Sony Mobile Communications AB, and Sony Mobile Communications (USA) Inc. (“Sony Mobile”) (collectively, “Movants”) respectfully request that the Court enter partial final judgment on Ericsson and Sony Mobile’s contract counterclaims regarding the Patent and Conflict Resolution Agreements between the parties, so that appeal on that separate issue may proceed.¹

I. INTRODUCTION AND BACKGROUND

On October 5, 2010, Wi-LAN filed the Complaint in this case alleging patent infringement by several defendants, including Ericsson and Sony Mobile. (Dkt. No. 1².) The patents at issue in Wi-LAN’s Complaint were U.S. Pat. Nos. 6,088,326, 6,381,211, 6,222,819,

¹ Non-joining Defendants Alcatel-Lucent USA Inc., HTC Corp., HTC America, Inc., and Exedeia Inc. do not oppose this motion.

² For convenience, all citations are to docket entry numbers in case 6:10-cv-521.

and 6,195,327. Ericsson and Sony Mobile counterclaimed against Wi-LAN for alleged breach of contract based on a Patent and Conflict Resolution Agreement (“PCR Agreement”), which Ericsson and Sony Mobile had each previously entered into with Wi-LAN in substantially identical form. (Dkt. Nos. 250, 251, 253, 254.) Specifically, Ericsson and Sony Mobile alleged that a covenant not to sue contained in the PCR Agreement barred Wi-LAN’s patent infringement claims³ and that Wi-LAN had breached the terms of a most-favored licensee clause contained in the agreement.⁴ Wi-LAN denied Ericsson and Sony Mobile’s counterclaim allegations. (Dkt. Nos. 260, 261, 268, 269.)

With leave of the Court, Wi-LAN, Ericsson, and Sony Mobile filed various motions for summary judgment (and supplements to those motions) concerning the scope and proper interpretation of the PCR Agreement. (Dkt. Nos. 171, 172, 181, 275, 276.) On May 9, 2013, the Court heard argument regarding the same. (*See* Dkt. No. 402.)

On June 4, 2013, the Court issued an Order granting Plaintiff’s Motion for Partial Summary Judgment and denying Ericsson and Sony Mobile’s Motions for Summary Judgment regarding the PCRA. (Dkt. No. 410.) In relevant part, with respect to Ericsson and Sony Mobile’s covenant-not-to-sue claim, the Court ruled that “the current suit is not barred by the PCR Agreements.” (Dkt. No. 410 at 7.) With regard to the most-favored-licensee claim, the Court held that “Wi-Lan is not obligated to grant Defendants such a license to the patents-in-

³ Ericsson and Sony Mobile each also raised an affirmative defense setting forth the same covenant-not-to-sue contention contained in the breach of contract counterclaim. Resolution of the counterclaim necessarily resolved the affirmative defense as well.

⁴ The PCR Agreement arose, in relevant part, in connection with Wi-LAN’s assertion of four specific patents (U.S. Patent Nos. 5,282,222; RE37,802; 6,192,068; and 6,320,897) against Ericsson and Sony Mobile. Although the parties dispute the scope of the PCR Agreement and its effect on Wi-LAN’s claims in this case, there is no dispute that these four patents are different than the patents that are the subject of Wi-LAN’s patent infringement claims against Ericsson and Sony Mobile in this case.

suit.” (*Id.* at 8.) Because, as a matter of law, Ericsson and Sony Mobile’s contract counterclaims could not be sustained under the interpretation of the PCR Agreements adopted by the Court, the Court’s ruling effectively ended the litigation regarding those counterclaims.

A jury trial was then held with regard to Wi-LAN’s claims for patent infringement. After the jury returned a verdict that Wi-LAN’s asserted claims were not infringed by Ericsson and Sony Mobile and were invalid, Dkt. No. 465, the Court entered a Final Judgment on July 16, 2013 and an Amended Final Judgment on July 22, 2013. (Dkt. Nos. 470, 471.) On August 13, 2013, Wi-LAN filed a Motion for a New Trial concerning non-infringement and a Renewed Motion for Judgment as a Matter of Law concerning invalidity. (Dkt. Nos. 481, 482.)

Wi-LAN’s post-trial motions relate solely to the patents at issue in its Complaint, and do not raise any issue with regard to the Ericsson or Sony Mobile’s previously decided contract counterclaims. The filing of Wi-LAN’s post-trial motions, however, tolled the time to file a notice of appeal from the final judgment, including as to the Court’s ruling regarding the PCR Agreement counterclaims. Fed. R. App. P. 4(a)(4). Because, as detailed below, there is no just reason to delay review of that separate issue and entering partial final judgment would further the goals of judicial economy, Movants respectfully move for entry of partial final judgment with regard to the PCR Agreement counterclaims.

II. Argument

A. Legal Standards

In general, an order disposing of fewer than all claims or parties in an action is not an appealable final judgment unless the district court certifies entry of partial final judgment under Federal Rule of Civil Procedure 54(b). *See, e.g., DirectTV, Inc. v. Budden*, 420 F.3d 521, 524 (5th Cir. 2005). Once certified by the district court, however, “a Rule 54(b) judgment is a final

decision capable of immediate appellate review pursuant to 28 U.S.C. § 1291.” *Tolan v. Cotton*, 713 F.3d 299, 303 (5th Cir. 2013). Rule 54(b) provides, in relevant part:

When an action presents more than one claim for relief—whether as a claim, counterclaim, crossclaim, or third-party claim—or when multiple parties are involved, the court may direct entry of a final judgment as to one or more, but fewer than all, claims or parties only if the court expressly determines that there is no just reason for delay.

Fed. R. Civ. P. 54(b). To enter a Rule 54(b) final judgment disposing of a claim, the district court “must dispose of that claim *entirely*.” *Monument Mgmt. Ltd. P’ship I v. City of Pearl, Miss.*, 952 F.2d 883, 885 (5th Cir. 1992) (emphasis in original); *see also Ultra-Precision Mfg. Ltd. v. Ford Motor Co.*, 338 F.3d 1353, 1358 (Fed. Cir. 2003). In addition, the district court must determine whether there “is any just reason for delay.” *Curtiss-Wright Corp. v. Gen. Elec. Co.*, 446 U.S. 1, 8 (1979.) The determination of whether no just reason for delay exists is “left to the sound judicial discretion of the district court.” *Id.* In making this determination, courts consider “judicial administrative interests as well as the equities involved.” *Id.* Multiple factors may inform this determination, including “whether the claims under review [are] separate from the others remaining to be adjudicated and whether the nature of the claims already determined was such that no appellate court would have to decide the same issues more than once even if there were subsequent appeals.” *Id.*

B. Analysis

1. *The Court’s summary judgment order disposed of Ericsson and Sony Mobile’s contract counterclaims entirely.*

The Court’s June 4, 2013 Order determined as a matter of law that the PCR Agreement did not bar Wi-LAN’s suit and that Wi-LAN had not breached the most-favored-licensee provision of that Agreement by not granting Ericsson and Sony Mobile a license at most-favored-licensee status. (Dkt. 410.) Accordingly, the Order resolved all outstanding issues with

regard to Ericsson and Sony Mobile's PCR Agreement counterclaims, and disposed of those claims entirely.⁵

2. There is no just reason to delay entry of partial final judgment regarding Ericsson and Sony Mobile's contract counterclaims.

Entering an order permitting immediate appeal of the June 4 Order regarding the PCR Agreement will further judicial administrative interests and promote efficiency. First, the counterclaims adjudicated by the Court in that Order are separable from the remaining claims in the case. *See Curtiss-Wright*, 446 U.S. at 8. There is little if any factual or legal overlap between the contract counterclaims addressed by the Court in the June 4th Order and Wi-LAN's claims of patent infringement. Under this Court's interpretation, the PCR Agreement, which involves only the Ericsson and Sony Mobile defendants, relates to four patents that are not asserted in Wi-LAN's infringement claims. (*Compare* Dkt. No. 171, Ex. A at 15 (PCR Agreement) *with* Dkt. No. 1 at 1.) In addition, the substantive issues resolved by the Court in the June 4 Order relate to questions of contract interpretation under New York state law; in contrast, the remaining claims in the case, which are governed by federal law, concern patent infringement and validity.

In addition, because Ericsson and Sony Mobile's contract counterclaims and Wi-LAN's claims for patent infringement are distinct, the Court's rulings on Wi-LAN's post-trial motions for judgment as a matter of law and for a new trial will not impact the Court's earlier ruling disposing of those counterclaims. There is thus no risk of the Court's June 4 Order being mooted by a later development in the case if it is separated for appeal; nor will an appellate court have to

⁵ Because no issue relating to the PCR Agreement remained to be tried following the Court's ruling, the parties made no reference to Ericsson and Sony Mobile's contract counterclaims before the jury. (*See, e.g.*, Dkt. No. 355, at 3-4 (motion in limine 2, barring references to contract counterclaims); Dkt. No. 417, at 1 (agreement regarding same).)

later re-decide the issues addressed in that Order if an appeal is taken on the PCR Agreement immediately. At bottom, the factors traditionally weighing against entry of partial final judgment are largely absent in this case. *See Curtiss-Wright*, 446 U.S. at 8.

In addition, the balance of the equities supports entry of partial final judgment. Most importantly, the correct scope of the PCR Agreement is a legal issue contested by Wi-LAN and Ericsson in multiple forums, and a final interpretation of the meaning of that agreement may substantially narrow the disputes between the parties. For example, a Florida district court recently interpreted the most-favored-licensee clause of the PCR Agreement in a manner inconsistent with this Court's summary judgment ruling on that question. *See Wi-LAN USA, Inc., et. al. v. Ericsson, Inc., et. al.*, Dkt. No. 118, No. 1:12-cv-23569 (S.D. Fla. June 19, 2013). A notice of appeal has been filed in that matter, *id.* (Dkt. No. 127), and a briefing schedule regarding that appeal has been set. Because Wi-LAN's post-verdict motions in this case remain pending, however, the parties are unable to place both rulings before the Federal Circuit for reconciliation unless a Rule 54(b) partial final judgment is entered. Should this Court enter such an Order, Ericsson and Sony Mobile intend to promptly appeal the Court's PCR Agreement ruling, and the parties will move to consolidate the appeals on that issue before the Federal Circuit. Such a consolidation will increase judicial efficiency and eliminate the need for the appeals court to address the same issue in piecemeal fashion from multiple cases. *Cf. Ultra-Precision Mfg. Ltd.*, 338 F.3d at 1358 (noting that a purpose of the final judgment rule is to avoid piecemeal appeals).

Because entry of partial final judgment on the PCR Agreements in this matter will promote the interests of judicial administration and equity, Movants respectfully request that the Court find that no just reason for delay exists.

III. CONCLUSION

For the reasons set forth above, Movants respectfully request that the Court find that no just reason for delay exists and enter partial final judgment on the PCR Agreement counterclaims pursuant to Rule 54(b).

Dated: August 29, 2013

Respectfully submitted,

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CERTIFICATE OF CONFERENCE

The undersigned certifies that Plaintiff Wi-LAN Inc. and Defendants Ericsson and Sony Mobile have complied with the requirements of Local Rule CV-7(h). Specifically, counsel for the moving parties contacted counsel for each party to the case and no party opposes the relief sought by this Motion.

By: /s/ Ajeet P. Pai
Ajeet P. Pai

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing document was filed electronically in compliance with Local Rule CV-5(a). As such, this document was served on all counsel who are deemed to have consented to electronic service on this the 29th day of August, 2013.

By: /s/ Ajeet P. Pai
Ajeet P. Pai

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	§	

ORDER ENTERING PARTIAL FINAL JUDGMENT PURSUANT TO FRCP 54(b)

Before the Court is the Unopposed Joint Motion for Entry of Partial Final Judgment Under Rule 54(b) filed by Plaintiff Wi-LAN Inc. (“Wi-LAN”) and Defendants Telefonaktiebolaget LM Ericsson, Ericsson Inc. (“Ericsson”), Sony Mobile Communications AB, and Sony Mobile Communications (USA) Inc. (“Sony Mobile”) (collectively, “Movants”). (Dkt. No. __.)

Wi-LAN filed a Complaint on October 5, 2010, alleging infringement by Ericsson and Sony Mobile of four United States Patents. (Dkt. No. 1.) Ericsson and Sony Mobile counterclaimed against Wi-LAN for breach of contract on the basis of an alleged covenant not to sue⁶ and a most-favored licensee clause contained in a Patent and Conflict Resolution Agreement (“PCR Agreement”) between Wi-LAN and each of Ericsson and Sony Mobile. (Dkt. Nos. 250, 251, 253, 254.) Wi-LAN, Ericsson, and Sony Mobile filed various motions for summary judgment, as well as supplements to those motions, seeking an interpretation of the PCR Agreement. (Dkt. Nos. 171, 172, 181, 275, 276.) On June 4, 2013, the Court issued an Order

⁶ Ericsson and Sony Mobile each also raised an affirmative defense setting forth essentially the same matter contained in the breach of contract counterclaim.

granting Plaintiff's Motion for Partial Summary Judgment and denying Ericsson and Sony Mobile's Motions for Summary Judgment. (Dkt. No. 410.) The Court ruled that "the current suit is not barred by the PCR Agreements" and that "Wi-Lan is not obligated to grant Defendants such a license to the patents-in-suit." (Dkt. No. 410 at 7, 8.)

The Court expressly **FINDS** that its summary judgment Order (Dkt. No. 410) has fully disposed of Ericsson's and Sony Mobile's counterclaims regarding the PCR Agreements. In addition, the Court expressly **FINDS** that there is no just reason for delaying entry of separate and immediately appealable final judgment as to those counterclaims pursuant to Fed. R. Civ. P. 54(b).

Having considered the papers and for good cause shown, therefore, the Court **GRANTS** Movants' Unopposed Joint Motion for Entry of Partial Final Judgment Under Rule 54(b).

SO ORDERED.