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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

HENRY CHUNG,  
Plaintiff,  
  
v.  
  
VAPOROUS TECHNOLOGIES, LLC,  
a Pennsylvania limited  
liability corporation;  
CHRISTIAN RADO, an  
individual; and DOES 1-10,  
  
Defendants.

CV 16-08586-RSWL-PLA  
  
**ORDER re: Defendants'  
Motion for Attorneys'  
Fees [69]**

Currently before the Court is Defendants/Counter  
Claimants Vaporous Technologies, LLC ("VTL") and  
Christian Rado's ("Rado") (collectively, "Defendants")  
Motion for Attorneys' Fees ("Motion") [69]. Having  
reviewed all papers submitted pertaining to this  
Motion, the Court **NOW FINDS AND RULES AS FOLLOWS:** the  
Court **DENIES** Defendants' Motion.

1 **I. BACKGROUND**

2 Plaintiff/Counter Defendant Henry Chung  
3 ("Plaintiff") filed his Complaint [1] against  
4 Defendants on November 17, 2016, alleging Defendants'  
5 electronic cigarette products (the "Accused Products")  
6 infringed Plaintiff's patent, U.S. Patent No. 9,380,812  
7 (the "'812 Patent"). On January 17, 2017, Defendants  
8 filed their Answer [16] and their Counterclaim [17]  
9 alleging non-infringement and invalidity of the '812  
10 Patent.

11 The Court held a Markman hearing on January 23,  
12 2018 to construe the term "water chamber." The Court  
13 issued its Order re: Claim Construction ("Claim  
14 Construction Order") on January 25, 2018 construing  
15 "the term 'water chamber' as a chamber for holding  
16 water, not other liquids." Order re: Claim  
17 Construction 13:6-8, ECF No. 46.

18 On February 6, 2018, Plaintiff's counsel contacted  
19 Defendants' counsel to propose that the parties agree  
20 to dismiss Plaintiff's infringement claim. Decl. of  
21 Jen-Feng Lee in Supp. of Pl.'s Opp'n to Defs.' Mot. for  
22 Att'ys' Fees ("Lee Att'ys' Fees Decl.") ¶ 27, ECF No.  
23 78. Defendants' counsel indicated that Defendants  
24 would stipulate to dismissal if Plaintiff agreed to pay  
25 Defendants' counsel's fees. Decl. of Jen-Feng Lee in  
26 Supp. of Pl.'s Mot. to Dismiss ("Lee Mot. to Dismiss  
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1 Decl."), Ex. A, ECF No. 49-3.<sup>1</sup> After some back-and-  
2 forth communication, the parties were unable to reach  
3 an agreement regarding dismissal of Plaintiff's  
4 infringement claim. Lee Att'ys' Fees Decl. ¶ 31.

5 Defendants filed their Motion for Partial Summary  
6 Judgment [47] on April 23, 2018. Plaintiff filed his  
7 Motion to Dismiss [49] on April 24, 2018. On June 4,  
8 2018, the Court denied Plaintiff's Motion to Dismiss  
9 and granted Defendants' Motion for Partial Summary  
10 Judgment as to non-infringement of the '812 Patent  
11 [61].

12 Following the Court granting Defendants' Motion for  
13 Partial Summary Judgment, on June 14, 2018, Defendants  
14 voluntarily dismissed their remaining invalidity  
15 counterclaim [62]. The Court entered Judgment [68] in  
16 favor of Defendants on July 3, 2018.

17 Defendants filed the instant Motion [69] on July  
18 13, 2018. Plaintiff filed his Opposition [77] on July  
19 24, 2018, to which Defendants replied [79] on July 31,  
20 2018.

## 21 II. DISCUSSION

### 22 A. Legal Standard

23 The Patent Act provides that "[t]he court in  
24 exceptional cases may award reasonable attorney fees to

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26 <sup>1</sup> The Court takes judicial notice of this Declaration  
27 already filed on its Docket and referenced in Mr. Lee's  
28 Declaration filed in support of Plaintiff's Opposition to  
Defendants' Motion for Attorneys' Fees. See Fed. R. Evid. 201;  
Gerritsen v. Warner Bros. Entm't Inc., 112 F. Supp. 3d 1011, 1034  
(C.D. Cal. 2015) (citation omitted).

1 the prevailing party.” 35 U.S.C. § 285. “[A]n  
2 ‘exceptional’ case is simply one that stands out from  
3 others with respect to the substantive strength of a  
4 party’s litigating position (considering both the  
5 governing law and the facts of the case) or the  
6 unreasonable manner in which the case was litigated.”  
7 Octane Fitness, LLC v. ICON Health & Fitness, Inc., 134  
8 S. Ct. 1749, 1756 (2014). “District courts may  
9 determine whether a case is ‘exceptional’ in the  
10 case-by-case exercise of their discretion, considering  
11 the totality of the circumstances.” Id. Fees may be  
12 awarded where “a party’s unreasonable conduct—while not  
13 necessarily independently sanctionable—is nonetheless”  
14 exceptional. Id. at 1757. “[A] case presenting either  
15 subjective bad faith or exceptionally meritless claims  
16 may sufficiently set itself apart from mine-run cases  
17 to warrant a fee award.” Id. A party must prove its  
18 entitlement to fees by a preponderance of the evidence.  
19 Id. at 1758.

20 **B. Discussion**

21 1. Substantive Strength of Plaintiff’s Litigation  
22 Position

23 a. *Pre-Filing Investigation*

24 Defendants first argue that Plaintiff failed to  
25 conduct an adequate pre-filing investigation, which  
26 would have objectively shown that no infringement  
27 existed. “[C]ase law makes clear that the key factor  
28 in determining whether a patentee performed a

1 reasonable pre-filing inquiry is the presence of an  
2 infringement analysis." O-Pharma, Inc. v. Andrew  
3 Jergens Co., 360 F.3d 1295, 1302 (Fed. Cir. 2004).  
4 "[A]n infringement analysis can simply consist of a  
5 good faith, informed comparison of the claims of a  
6 patent against the accused subject matter." Id. In  
7 his Opposition, Plaintiff explains the pre-filing  
8 investigation he conducted, which consisted of two  
9 different attorneys reviewing the '812 Patent and the  
10 Accused Products. See Lee Att'ys' Fees Decl. ¶¶ 7-23.  
11 The first attorney was Clement Cheng, who prosecuted  
12 the '812 Patent, and the second attorney was Jeff Lee,  
13 Plaintiff's counsel in this Action. Id. ¶¶ 7, 17.  
14 While Mr. Cheng only appears to have reviewed a drawing  
15 of the Accused Products, see id., Ex. 1, Mr. Lee  
16 obtained one of the Accused Products, disassembled it,  
17 and reviewed its structure, id. ¶ 8. After reviewing  
18 the '812 Patent, the prosecution history of the '812  
19 Patent, and a sample of the Accused Products, both  
20 attorneys concluded that there was a viable claim for  
21 infringement. Id. ¶¶ 16-17.

22 Defendants essentially argue that these two  
23 attorneys were unable to provide an objective analysis  
24 of potential infringement because of their connections  
25 to the '812 Patent and this litigation. First, while  
26 Mr. Cheng may have prosecuted the '812 Patent, there is  
27 no evidence that he would gain anything by giving an  
28 opinion that the Accused Products infringed the '812

1 Patent. Because Mr. Cheng prosecuted the '812 Patent,  
2 he is more knowledgeable about its claims, the  
3 potential construction of the claim terms, and the  
4 viability of an infringement claim. Second, while  
5 Plaintiff retained Mr. Lee to litigate this matter,  
6 there is no evidence to suggest that Mr. Lee would  
7 purposely prosecute a frivolous lawsuit. With no  
8 evidence to suggest otherwise, the Court assumes that  
9 Mr. Lee, as Plaintiff's attorney, would review the '812  
10 Patent and Accused Products and only pursue litigation  
11 if Mr. Lee believed there was merit to Plaintiff's  
12 claims. See also Fujinomaki v. Google, LLC, No.  
13 3:16-CV-03137-JD, 2018 WL 3632104, at \*2 (N.D. Cal.  
14 July 31, 2018) (finding case not exceptional when the  
15 plaintiff's counsel investigated the accused products  
16 and there was no evidence the firm litigated in bad  
17 faith). It is improper for Defendants to, without  
18 evidence, imply that Mr. Lee would pursue meritless  
19 claims just to appease his client. Ultimately, because  
20 two separate attorneys reviewed the '812 Patent and the  
21 Accused Products and determined there was a viable  
22 claim for infringement, Plaintiff conducted a  
23 sufficient pre-filing investigation. See Q-Pharma, 360  
24 F.3d at 1303 (finding "claim of infringement was  
25 supported by a sufficient factual basis" when the  
26 plaintiff obtained a sample of the accused product and  
27 compared it to the claims of the patent); cf.  
28 ThermoLife Int'l, LLC v. Myogenix Corp., No. 13CV651

1 JLS (MDD), 2017 WL 1235766, at \*5 (S.D. Cal. Apr. 4,  
2 2017) (finding pre-filing investigation was  
3 insufficient when the plaintiff did not rely on  
4 anything other than advertisements and failed to obtain  
5 a sample of the readily-available accused product).

6           b. *Claim Construction Arguments*

7           Defendants repeatedly argue that Plaintiff's claim  
8 construction arguments regarding the term "water  
9 chamber" were meritless and Plaintiff knew from the  
10 beginning of the litigation that the claimed "water  
11 chamber" could only hold water. Importantly, in  
12 determining whether a case is exceptional, the court  
13 looks to the strength of the arguments, not their  
14 correctness. SFA Sys., LLC v. Newegg Inc., 793 F.3d  
15 1344, 1348 (Fed. Cir. 2015) (quoting Octane Fitness,  
16 134 S. Ct. at 1756). Claim construction is a customary  
17 step of patent litigation, and because it "is not an  
18 exact science, [] it is not unusual for parties to  
19 offer competing definitions of even the simplest claim  
20 language." Q-Pharma, 360 F.3d at 1301.

21           Defendants point to several quotes from this  
22 Court's Claim Construction Order to show that  
23 Plaintiff's claim construction arguments were  
24 unreasonable. See Defs.' Mot. for Att'ys' Fees 10:3-8,  
25 ECF No. 69. While the Court made clear in its Claim  
26 Construction Order that the intrinsic evidence strongly  
27 rebutted Plaintiff's construction of the term "water  
28 chamber," Plaintiff's arguments were not so extreme to

1 make this case "exceptional" for the purpose of  
2 attorneys' fees. In the Markman hearing, Plaintiff  
3 relied on the prosecution history, which showed the  
4 patent examiners' broad search terms when researching  
5 the '812 Patent, as well as the claim's lack of  
6 guidance regarding the liquid that is held in the  
7 "water chamber." While the Court may have disagreed  
8 with Plaintiff's arguments and ultimately ruled against  
9 Plaintiff, Plaintiff's arguments did not "contravene[]  
10 well-established law." Iris Connex, LLC v. Dell, Inc.,  
11 235 F. Supp. 3d 826, 847 (E.D. Tex. 2017) (finding case  
12 was exceptional when, among other things, the plaintiff  
13 proposed construction that went against clear claim  
14 construction jurisprudence). Ultimately, while  
15 Plaintiff's arguments may have been unconvincing, they  
16 were not so frivolous to make this case stand out from  
17 others, which would make this Action "exceptional."

## 18 2. Manner of Litigation

19 Defendants also argue that Plaintiff's conduct  
20 during the litigation was unreasonable,<sup>2</sup> and the only  
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22 <sup>2</sup> In addition to the conduct discussed below, Defendants  
23 also argue that Plaintiff's Opposition to Defendants' Motion for  
24 Partial Summary Judgment relied on mere conclusory arguments.  
25 However, "[m]erely losing at summary judgment is not a basis for  
26 an exceptional case finding." Cambrian Science Corp. v. Cox  
27 Commc'n, Inc., 79 F. Supp. 3d 1111, 1114 (C.D. Cal. 2015). While  
28 Plaintiff did offer a half-hearted opposition to Defendants'  
Motion for Partial Summary Judgment with little evidence to  
support his arguments, the Court finds that this alone is  
insufficient to determine this case is exceptional. This is  
especially true given that Plaintiff was trying to dismiss his  
claim simultaneously.



1 possible motivation for this Action was retaliation for  
2 Defendants filing an action against Plaintiff in state  
3 court. Defendants focus on Plaintiff's actions  
4 following the Court's Claim Construction Order.

5 After the Court issued its Claim Construction Order  
6 on January 25, 2018, Plaintiff's counsel contacted  
7 Defendants' counsel on February 6, 2018 to inform  
8 Defendants that Plaintiff intended to dismiss his claim  
9 against Defendants. See Lee Att'ys' Fees Decl., Ex. 2.  
10 Defendants argue that while Plaintiff may have stated  
11 that he intended to dismiss his claim shortly after the  
12 Claim Construction Order, he did not move to do so  
13 until after Defendants filed their Motion for Partial  
14 Summary Judgment on April 23, 2018. Both parties blame  
15 each other for the delay in Plaintiff's attempt to  
16 dismiss his claim, but Defendants' desire for  
17 attorneys' fees appears to be the reason for the delay.  
18 See Lee Mot. to Dismiss Decl., Ex. A. Because  
19 Defendants filed counterclaims against Plaintiff,  
20 Plaintiff could not dismiss the Action over Defendants'  
21 objection. See Fed. R. Civ. P. 41(a)(2). Defendants  
22 were only willing to dismiss the Action if Plaintiff  
23 offered to pay Defendants' counsel's fees. See Lee  
24 Mot. to Dismiss Decl., Ex. A. It is reasonable for  
25 Plaintiff to not agree to pay Defendants' counsel's  
26 fees when such fees are only recoverable in  
27 "exceptional" cases. Both parties were adversarial  
28 during this litigation, but ultimately, Plaintiff

1 sought to dismiss his claim shortly after the Court's  
2 Claim Construction Order. Such conduct prevents a  
3 finding that this case is exceptional. Compare Joao  
4 Control & Monitoring Sys., LLC v. Chrysler Grp. LLC,  
5 No. 13-cv-13957, 2017 U.S. Dist. LEXIS 130405, at \*21  
6 (E.D. Mich. Aug. 16, 2017) (noting cases can be  
7 exceptional where the plaintiff continues to litigate  
8 after the plaintiff suffers an adverse claim  
9 construction), with In re Protegrity Corp., No.  
10 3:15-MD-02600-JD, 2017 WL 747329, at \*4 (N.D. Cal. Feb.  
11 27, 2017) (denying motion for attorneys' fees when the  
12 plaintiff sought to dismiss its claims after suffering  
13 an adverse ruling).

14 With regard to Defendants' accusation that  
15 Plaintiff filed this Action in retaliation for  
16 Defendants filing an action against Plaintiff in state  
17 court, there is nothing in the record to suggest this  
18 is true. Defendants argue that because Plaintiff's  
19 infringement arguments were objectively unreasonable,  
20 retaliation is the only possible motive. Even if this  
21 Court found that Plaintiff's arguments were objectively  
22 unreasonable, Defendants have not provided any  
23 evidence, other than the timing of the two lawsuits, to  
24 suggest a retaliatory motive. Accordingly, this  
25 argument is not well taken.

26 Defendants have thus failed to show that  
27 Plaintiff's conduct in this Action was objectively  
28 unreasonable enough to categorize this Action as

1 exceptional. Because this case is not "exceptional"  
2 under 35 U.S.C. § 285, Defendants are not entitled to  
3 recover their attorneys' fees.

4 **III. CONCLUSION**

5 Based on the foregoing, the Court **DENIES**  
6 Defendants' Motion.

7 **IT IS SO ORDERED.**

8  
9 DATED: August 14, 2018

s/ RONALD S.W. LEW

10 **HONORABLE RONALD S.W. LEW**  
11 Senior U.S. District Judge  
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