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22 UNITED STATES DISTRICT COURT
 23 NORTHERN DISTRICT OF CALIFORNIA
 OAKLAND DIVISION

24 ORACLE USA, INC., *et al.*,
 25 Plaintiffs,
 26 v.
 27 SAP AG, *et al.*,
 28 Defendants.

No. 07-CV-01658 PJH (EDL)

ORACLE'S NOTICE OF MOTION AND
 MOTION FOR STAY; MEMORANDUM OF
 POINTS AND AUTHORITIES

Date: September 28, 2011

Time: 9:00 a.m.

Place: 3rd Floor, Courtroom 3

Judge: Hon. Phyllis J. Hamilton

1 **NOTICE OF MOTION AND MOTION**

2 PLEASE TAKE NOTICE THAT on September 28, 2011,¹ at 9:00 a.m., in the
3 United States District Court, Northern District of California, Oakland Division, located at 1301
4 Clay Street, Oakland, California, Courtroom 3, 3rd Floor, before the Hon. Phyllis J. Hamilton,
5 Plaintiffs Oracle International Corp. and Oracle USA, Inc. (“Oracle”) will and does hereby bring
6 a motion to request that the Court stay proceedings in this Court (other than its accompanying
7 certification motion) pending resolution of Oracle’s motion to request that the Court amend its
8 Order Granting Defendants’ Motion for JMOL, and Motion for New Trial; Order Denying
9 Plaintiffs’ Motion for New Trial; Order Partially Vacating Judgment (the “Post-Trial Order”) to
10 certify the Post-Trial Order for interlocutory review, pursuant to 28 U.S.C. 1292(b) and Fed. R.
11 App. Proc. 5(a)(3) and any subsequent appellate proceedings. This motion is based upon this
12 Notice of Motion and Motion and Memorandum of Points and Authorities, the Post-Trial Order,
13 the evidence at trial, the jury instructions and verdict, the related prior motions, briefing, and
14 orders, and such oral argument and other matters as the Court may consider.

15 **REQUESTED RELIEF**

16 Oracle requests that the Court stay all proceedings in this Court (other than
17 Oracle’s certification motion) and extend the time for Oracle to accept or reject the remittitur
18 pursuant to the Post-Trial Order until 10 days after final disposition of Oracle’s 1292(b)
19 application and any subsequent appellate proceedings.

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27 _____
28 ¹ The parties have stipulated to an expedited briefing schedule and hearing date for this motion; the stipulation and proposed order is filed along with this motion.

1 MEMORANDUM OF POINTS AND AUTHORITIES

2 I. INTRODUCTION

3 In its accompanying motion, Oracle requests that the Court amend its Post-Trial
4 Order to certify it for interlocutory appeal, to resolve certain controlling questions of law,
5 pursuant to 28 U.S.C. § 1292(b). Oracle submits that the Court should stay other proceedings in
6 this case pending resolution of Oracle’s certification request and any subsequent appellate
7 proceedings.

8 As set forth in the accompanying motion, Oracle’s request establishes at least a
9 substantial case for certification and potential reversal on appeal. Given the enormous
10 expenditure of resources that could be avoided, the balance of hardships, the public interest
11 (including those of prospective jurors), and judicial efficiency all tip sharply in favor of a stay.
12 Therefore, Oracle requests that the Court stay proceedings in this Court, and extend the time for
13 Oracle to accept or reject the remittitur, until 10 days after final appellate disposition of Oracle’s
14 1292(b) application (to be promptly filed upon this Court’s certification) and any subsequent
15 appellate proceedings.

16 II. ARGUMENT

17 “When considering a stay pending appeal pursuant to § 1292(b), the Court has
18 broad discretion to decide whether a stay is appropriate to ‘promote economy of time and effort
19 for itself, for counsel, and for litigants.’” *Asis Internet Servs. v. Active Response Group*, No. C07
20 6211 THE, 2008 WL 4279695, at * 3-4 (N.D. Cal. Sep. 16, 2008) (quoting *Ass’n of Irrigated*
21 *Residents v. Fred Schakel Dairy*, 634 F. Supp. 2d 1081, 1094 (E.D. Cal. 2008) (quoting *Filtrol*
22 *Corp. v. Kelleher*, 467 F.2d 242, 244 (9th Cir.1972))). This Court may therefore stay the
23 proceedings pending resolution of Oracle’s request for certification and, if certification is
24 granted, pending resolution of Oracle’s application for interlocutory appeal and any subsequent
25 appellate proceedings. *See Mediterranean Enters., Inc. v. Ssangyong Corp.*, 708 F.2d 1458,
26 1465 (9th Cir. 1983) (“[A] trial court may, with propriety, find it is efficient for its own docket
27 and the fairest course for the parties to enter a stay of an action before it, pending resolution of
28 independent proceedings which bear upon the case.”) (internal citation omitted); *see also Via*

1 *Techs., Inc. v. Sonicblue Claims, LLC*, No. C 09–2109 PJH, 2011 WL 2437425, at *2 (N.D. Cal.
2 June 17, 2011) (staying trial court proceedings upon certification of the Court’s order for
3 interlocutory appeal); *Aggio v. Estate of Aggio*, No. C 04-4357 PJH, 2006 WL 149006, at *2
4 (N.D. Cal. Jan. 18, 2006) (same).

5 In exercising its discretion to grant a stay, a court considers whether
6 the stay applicant has made a strong showing that it is likely to succeed on the merits; whether
7 the applicant will be irreparably injured absent a stay; whether issuance of the stay will
8 substantially injure the other parties interested in the proceeding; and where the public interest
9 lies. *Leiva-Perez v. Holder*, 640 F.3d 962, 964 (9th Cir. 2011) (citing *Nken v. Holder*, 129 S.Ct.
10 1749, 1761 (2009)). Although the first two factors are the most critical, courts must employ a
11 “flexible” balancing approach in weighing all the relevant factors along a “continuum.” *Id.* at
12 965-66. A stay applicant “need not demonstrate that it is more likely than not that [it] will win
13 on the merits.” *Id.* at 966. Rather, a stay is appropriate where an applicant demonstrates “a
14 substantial case on the merits and that the balance of hardships tips sharply in [its] favor.” *Id.* at
15 970; *see also Alliance for the Wild Rockies v. Cottrell*, 632 F.3d 1127, 1135 (9th Cir. 2011)
16 (ruling with respect to the parallel test for preliminary injunctions that an injunction may issue
17 where “serious questions going to the merits [are] raised and the balance of hardships tips
18 sharply in the plaintiff’s favor”) (internal quotation omitted).

19 Oracle has met this test. It has established a substantial case on the merits of its
20 certification motion and subsequent appeal. In addition, the balance of hardships and public
21 interest weigh heavily in favor of granting a stay.

22 **A. Oracle Has Established a Substantial Case on the Merits of Its**
23 **Certification Request and Any Subsequent Appeal**

24 As set forth in its certification motion, Oracle’s request establishes a substantial
25 case on the merits of certification for interlocutory appeal. Given the acknowledged absence of
26 “explicit[]” Ninth Circuit authority in support of the Post-Trial Order’s legal rulings regarding
27 the availability of hypothetical license damages, Post-Trial Order at 12 & n.2, and the authority
28 Oracle submits is contrary to them, there are at least substantial grounds for a difference of

1 opinion to support certification for interlocutory appeal. Consequently, this factor strongly
2 favors granting a stay pending resolution of Oracle’s request for certification. *Cf. Hollingsworth*
3 *v. Perry*, 130 S.Ct. 705, 710 (2010) (per curiam) (granting stay pending filing and disposition of
4 petition for writ of certiorari, where applicant demonstrated a “fair prospect” a majority of the
5 Court would grant the petition for a writ of certiorari and reverse the order below).

6 Should the Court grant Oracle’s request and the Ninth Circuit grant Oracle’s
7 subsequent application for interlocutory appeal, Oracle has also established at least a substantial
8 case on the merits of its interlocutory appeal. As shown in its certification motion, Oracle has
9 raised “serious legal questions” going to the merits of the most significant legal issue in the
10 case – the test for recovering hypothetical license damages. *Leiva-Perez*, 640 F.3d at 968.
11 Consequently, this factor strongly favors granting a stay. *See, e.g., Del Rio v. Creditanswers*
12 *LLC*, No. 10cv346-WQH-BLM, 2010 WL 3418430, at *5 (S.D. Cal. Aug. 26, 2010) (granting
13 stay pending appeal, where appeal raised “serious legal questions”); *Karimy v. Assoc. Gen.*
14 *Contractors of Am*, Civil No. 08-CV-297-L(CAB), 2009 WL 3698397, at *1 (S.D. Cal Nov. 5,
15 2009) (granting stay pending appeal, where a divergence of authorities on the issue subject to
16 appeal “present[ed] a serious legal question”).

17 **B. The Balance of Hardships Tips Sharply in Favor of a Stay**

18 In the absence of a stay, the Post-Trial Order would require the Court, parties, and
19 third parties to endure a second round of pre-trial motions, trial preparation, trial, and post-trial
20 motions, before an inevitable appeal of that Order. Oracle would be “irreparably injured [by
21 being] required to conduct a retrial which might be mooted by a reversal of this [C]ourt’s order
22 on appeal.” *Walker v. Martel*, No. C 94–1997 SBA, 2011 WL 2837406, at *2 (N.D. Cal. July
23 13, 2011).² Indeed, all parties, the Court, and the public, including prospective jurors, have an
24 interest in avoiding the potentially unnecessary expenditure of time, money, and judicial
25 resources of a retrial. *Id.* at *3 (granting stay pending appeal); *see also Becker v. Martel*, No.

26 ² Even if the Ninth Circuit were to rule that a new trial including the fair market value
27 damages theory were required, it would be far more efficient for all involved to stay the case
28 pending the appellate decision, rather than moving forward on parallel tracks with a second trial
limited to lost/infringer’s profits.

1 10cv1209–W (AJB), 2011 WL 2181361, at *2 (S.D. Cal. June 3, 2011) (granting stay pending
2 appeal, reasoning that “[i]t makes little sense” to conduct a retrial “if there is any possibility the
3 trial could be mooted by a reversal of [the] [c]ourt’s order on appeal” (internal citation omitted)).
4 Hence, a stay promotes the parties’ interests as well the public interest in “ensur[ing] that the
5 [C]ourt is not required to try essentially the same case twice.” *Eaton v. Siemens*, No. CIV. S-07-
6 315 FCD KJM, 2010 WL 2634207, at *1 (E.D. Cal. June 30, 2010) (granting stay pending
7 appeal).

8 On the other hand, a stay will benefit the Court and the parties even if Oracle’s
9 appeal is unsuccessful. The scope of remaining issues in the case will be more clearly defined
10 for any subsequent trial. Such a result could, therefore, “alter the direction of the current
11 proceedings.” *Ass’n. of Irrigated Residents.*, 634 F. Supp. 2d at 1094 (granting stay pending
12 interlocutory appeal). In either event, resolution of Oracle’s request and subsequent appellate
13 proceedings could “materially affect this case and advance the ultimate termination of litigation.”
14 *Watson v. Yolo Co. Flood Control and Water Conservation Dist.*, No. 2:06-cv-1549 FCD DAD,
15 2007 WL 4107539, at *4 (E.D. Cal. Nov. 16, 2007). Under such circumstances, a stay
16 “promotes economy of time and effort both for the court and the parties.” *Id.* (granting stay
17 pending interlocutory appeal); *see also Lakeland Village Homeowners Ass’n v. Great Am. Ins.*
18 *Group*, 727 F. Supp. 2d 887, 897 (E.D. Cal. 2010) (same).

19 **C. A Stay Will Not Substantially Injure SAP**

20 SAP will not be injured if other proceedings are stayed while Oracle’s
21 certification motion and potential appeal are decided. SAP, like Oracle, will benefit from not
22 having wasted time and money on preparations and a new trial if they are made unnecessary by
23 the Ninth Circuit’s opinion. Nor does SAP have any valid interest in assuring that a new trial
24 occurs before the Ninth Circuit can decide the legal issues framed by the Post-Trial Order.

25 SAP may complain that Oracle’s appeal will take time and delay the new trial, if
26 one is needed. But by potentially avoiding that new trial altogether, a stay is more likely to
27 speed final resolution of this case along than to delay it. In any case, SAP admits that it is liable.
28 Even by its reckoning, it owes Oracle tens of millions of dollars in damages. SAP would not be

1 harmed by delaying the day that it must pay Oracle. Any desire by SAP to race to a new trial,
2 for whatever reason, is easily outweighed by the case-management reasons to let the potentially
3 dispositive appeal proceed before another trial.

4 **D. The Public Interest Favors A Stay**

5 Last, the public interest favors a stay. This Court has a busy docket. Many other
6 litigants need their cases resolved. Fairness to them and the Court itself dictates that the Court's
7 scarce resources be used as efficiently as possible. *See Asis Internet Servs.*, 2008 WL 4279695,
8 at * 3-4. The substantial time that this Court and its staff must invest in case management, pre-
9 trial motions, and trying the case a second time will be wasted if the Ninth Circuit reverses the
10 Post-Trial Order. It is a much more efficient use of judicial resources to wait and see whether,
11 and under what circumstances if any, a new trial is needed.

12 **III. CONCLUSION**

13 The Court should stay the proceedings in the trial court, and extend the time for
14 Oracle to accept or reject the remittitur, until 10 days after final appellate disposition of Oracle's
15 1292(b) application (to be promptly filed upon this Court's certification of its Post-Trial Order)
16 and any subsequent appellate proceedings.

17 DATED: September 13, 2011 Bingham McCutchen LLP

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19
20 By: _____ /s/ Geoffrey M. Howard
Geoffrey M. Howard
21 Attorneys for Plaintiffs Oracle USA, Inc., *et al.*