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

23 ORACLE USA, INC., *et al.*,

24 Plaintiffs,

25 v.

26 SAP AG, *et al.*,

27 Defendants.

No. 07-CV-01658 PJH (EDL)

ORACLE'S REPLY IN SUPPORT OF  
 MOTION FOR 1292(b) CERTIFICATION FOR  
 INTERLOCUTORY REVIEW

Date: N/A

Time: N/A

Place: 3rd Floor, Courtroom 3

Judge: Hon. Phyllis J. Hamilton

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**I. INTRODUCTION**

SAP’s opposition concedes Oracle’s description of its damages evidence but argues that Oracle is not entitled to dispute the legal sufficiency of that evidence on interlocutory appeal because it does not raise reviewable questions of law. That is incorrect. The questions Oracle asks the Court to certify relate to three legal disputes that should be decided by the Ninth Circuit: (1) whether the evidence that Oracle introduced is legally sufficient to support hypothetical-license damages; (2) whether the Court may set the verdict aside as speculative even though it is logically supported by such evidence; and (3) whether the Court may grant a new trial even though the verdict falls squarely in the range set by such evidence. Ninth Circuit law clearly permits § 1292(b) review of such questions even if they, in part, involve “mixed question[s] of law and fact.”

Moreover, if Oracle is correct about the answers to these questions, then the JMOL and new trial orders must be reversed, which makes the questions controlling.

In addition, there are substantial grounds for disagreement about the answers to these questions. While SAP asserts that Oracle’s evidence is insufficiently “objective,” it fails to cite a single case that imposes or defines that requirement. And no case imposes any requirement that hypothetical-license damages be proved by evidence of “benchmark” licenses, “actual” licenses or “lost licensing opportunities.” The law requires Oracle only to establish an objective market value of the rights SAP infringed. Many cases allow hypothetical-license damages based on just the sort of evidence Oracle introduced. SAP’s unsupported insistence that Oracle’s evidence – most of which comes from SAP itself – is insufficiently “objective” only emphasizes the need for clear answers to the controlling questions Oracle identified.

The Ninth Circuit will decide these issues. The only question here is when: on interlocutory appeal, or on appeal after a new trial and final judgment. For two reasons, it should decide them now. First, if Oracle appeals now and wins, a second trial can be avoided. Second, even if the Ninth Circuit affirms the grant of a new trial, it is far better to clarify the Ninth Circuit’s requirements for hypothetical-license damages to conform the new trial to those

1 requirements. Otherwise, we risk a third trial. The Court should grant the motion for  
2 certification.

## 3 **II. ARGUMENT**

### 4 **A. The Post-Trial Order Poses Controlling Questions Of Law**

5 The three questions Oracle identified do not just affect the outcome of the  
6 litigation, they control it. Together, they determine whether the \$1.3 billion judgment must stand  
7 or fall, whether the Court may order a new trial and, if so, whether that new trial may be limited  
8 to lost profits and infringer's profits. (Mot. 3). SAP incorrectly argues these questions are not  
9 "controlling" or not questions "of law" at all. (Opp. 3:8-10; 5:22-23).

10 **"Pure Questions of Law."** SAP argues that certification demands "pure  
11 questions of law." It then labels the controlling questions here as "mixed questions" not  
12 appropriate for certification. (Opp. 5:22-6:16). Not so. Under Ninth Circuit law, where an order  
13 involves at least one pure question of law, interlocutory appeal is appropriate to review both the  
14 question of law and the application of law to the facts of the case, including "mixed question[s]  
15 of law and fact." *Steering Comm. v. United States*, 6 F.3d 572, 574-76 (9th Cir. 1993)  
16 (permitting § 1292(b) on "both the standard of care . . . and the application of that standard to the  
17 facts of this case."); *see also United States v. State of Wash.*, 969 F.2d 752, 753-54 (9th Cir.  
18 1992) (permitting § 1292(b) appeal on issue of treaty interpretation, "a mixed question of law  
19 and fact").

20 Here, Oracle's motion raises several pure questions addressing the legal standard  
21 for copyright damages: the meaning of "objective analysis" as required by case law, including  
22 whether it refers to the kind of evidence used to prove hypothetical-license damages (as the  
23 Court held) or the measure of damages (objective market value of a license rather than an  
24 owner's subjective feeling as to value) (Mot. 4-6); whether the *Georgia-Pacific* factors govern  
25 valuation of hypothetical licenses in copyright (Mot. 9); and whether a district court has  
26 authority to grant a new trial on damages even though the verdict falls within the range set by  
27 admissible evidence (Mot. 16-18). The only mixed questions of law are whether, once these  
28 legal questions are resolved, evidence of the infringer's contemporaneous business plans,

1 projections and anticipated profits from the infringement and plaintiff’s contemporaneous  
2 valuation of the business are legally sufficient evidence (Mot. 6-9); and whether a verdict may be  
3 overturned as speculative even though it logically follows from the evidence before the jury.  
4 (Mot. 13-16). Given “the presence of a pure legal question,” the Ninth Circuit can “resolve all  
5 questions material to the order.” *Steering Comm.*, 6 F.3d at 576.

6 **JMOL.** SAP urges that the Court granted JMOL on two grounds supposedly not  
7 addressed by Oracle’s questions: (1) that Oracle “failed to prove that it actually lost any  
8 licensing opportunities;” and (2) that Oracle “failed to offer *any* objective . . . evidence upon  
9 which to calculate a non-speculative license price.” (Opp. 3:14-17). However, the first ground  
10 was expressly *not* a basis for JMOL. (Clarification Order 2:8-12) (“The court did not hold as a  
11 matter of law . . . that [hypothetical-license damages] are available only if the copyright owner  
12 provides evidence of actual licenses it . . . would have entered into for the infringed works.”).<sup>1</sup>

13 The second ground *was* the basis for the Court’s grant of JMOL (Clarification  
14 Order 2:19-21), but Oracle’s questions squarely implicate the correctness of that holding.  
15 Question No. 1 asks whether Oracle’s objective evidence is legally sufficient. (Mot. 1:21-26).  
16 In support of that question, Oracle’s certification motion details substantial ground for difference  
17 of opinion “as to whether there [is] *sufficient objective evidence*” to establish hypothetical-  
18 license damages. (Mot. 4:17-21) (emphasis added). Oracle’s motion further details how the  
19 Court’s orders “restrict[] the scope of that objective evidence in a manner that conflicts with  
20 precedent” (Mot. 4:20-6:17), and cites numerous cases holding that evidence like that which  
21 Oracle introduced *is* sufficient to prove hypothetical-license damages. (Mot. 6:11-12:21).

22 **New Trial.** SAP claims that the legal questions framed by Oracle’s certification  
23 motion will not affect the grant of a new trial because the Court exercised nearly unreviewable  
24 discretion. (Opp. 6:17-7:15). That is incorrect. If Oracle’s evidence is legally sufficient to

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25 <sup>1</sup> Had the Court held that Oracle was required to prove lost licensing opportunities, that  
26 question would warrant certification for the reasons laid out in Oracle’s original certification  
27 motion. (*See* 9/12/11 Motion for Certification at 1) (Docket No. 1085) (requesting certification  
28 of whether hypothetical-license damages require evidence of “actual licenses [plaintiff] entered  
into or would have entered into for the infringed works”).

1 support hypothetical-license damages (Question No. 1), then the verdict is in the middle of the  
2 range supported by the evidence, and Oracle’s motion asks for review (Question No. 3) on the  
3 ground that the Court does *not* have discretion to grant a new trial on damages when the verdict  
4 falls squarely within that range. *Silver Sage Partners, Ltd. v. City of Desert Hot Springs*, 251  
5 F.3d 814, 825 (9th Cir. 2001); *United States v. 4.0 Acres of Land*, 175 F.3d 1133, 1143 (9th Cir.  
6 1999); (Mot. 16-17).

7           Moreover, if Oracle’s evidence is legally sufficient to support hypothetical-license  
8 damages, then the grant of a new trial was error to the extent it found that Oracle failed to  
9 provide an “objectively verifiable number of customers lost” (Question No. 1) or determined that  
10 the \$1.3 billion award grossly exceeded actual harm in the form of lost customers (Question  
11 No. 3). If Oracle introduced sufficient evidence to support hypothetical-license damages, Oracle  
12 did not need to prove that it lost customers as a result of the infringement. (Mot. 17:17-18:3).  
13 Hence, if the Court erred in holding the hypothetical-license evidence insufficient, then the grant  
14 of a new trial predicated on that error must be reversed. *Tortu v. Las Vegas Metro. Police Dept.*,  
15 556 F.3d 1075, 1086-87 (9th Cir. 2009) (grant of new trial reversed where based on legal error as  
16 to scope of recoverable damages).

17           The questions for certification also affect whether a new trial was properly  
18 granted based on the Court’s rejection of Oracle’s expert’s opinion as “speculative,” and based  
19 on “guesses about the parties’ expectations.” (Post-Trial Order 17:13-14). Question No. 1 asks  
20 whether a copyright owner may prove hypothetical-license damages by showing what the parties  
21 would have demanded or paid for a license in a negotiation, based on the parties’ actual expected  
22 profits and losses and resulting expert opinion. Oracle’s motion cites numerous cases allowing  
23 calculation of each side’s price in the hypothetical negotiation based on contemporaneous  
24 evidence of each side’s expectations of profit, the very evidence Oracle’s expert relied upon.  
25 (See Mot. 6:11-9:3) (discussing cases).

26           The answer to Question No. 1 will also determine whether the Court was correct  
27 to reject as “self-serving” the testimony from Oracle’s executives. (Post-Trial Order 17:11-12).  
28 No other principle of copyright law precludes copyright owners from testifying about value. To

1 the contrary, a copyright owner’s testimony *can* be adequate support for valuing copyright  
2 damages under the hypothetical-license measure. *Frank Music Corp. v. Metro-Goldwyn-Mayer,*  
3 *Inc.*, 772 F.2d 505, 514 n.8 (9th Cir. 1985); *Runge v. Lee*, 441 F.2d 579, 582 (9th Cir. 1971);  
4 *Universal Pictures Co. v. Harold Lloyd Corp.*, 162 F.2d 354, 369 (9th Cir. 1947); p. 6 below.  
5 And, in any event, Oracle provided extensive evidence of SAP’s contemporaneous expectation of  
6 profits from infringing. (Mot. 10:6-16, 11:24-12:15).

7 **B. There Are Substantial Grounds For Difference Of Opinion**

8 Oracle’s motion details substantial grounds for difference of opinion as to each of  
9 the three controlling questions based on decisions of the Ninth Circuit and other circuit decisions  
10 the Ninth Circuit has adopted. (Mot. 3-16). SAP’s response only confirms the grounds for  
11 substantial disagreement about all three.

12 **1. Whether There Is Sufficient Objective Evidence As A**  
13 **Matter Of Law To Establish The Amount A Willing**  
14 **Buyer Would Have Paid A Willing Seller**

15 SAP does not dispute that Oracle presented evidence of (a) SAP’s  
16 contemporaneous projection of profits it expected to realize from the rights it infringed, (b)  
17 Oracle’s contemporaneous valuation of the business that it would lose if it licensed those rights  
18 to SAP, and (c) reliable expert testimony assessing the fair market value of a hypothetical license  
19 based on the above. (Mot. 9-12). It disputes only the legal sufficiency of that evidence, and  
20 whether it supports the jury’s hypothetical-license award as a matter of law.

21 In answering that legal question, this Court held the “evidence provided by Oracle  
22 was not sufficient to support an award of hypothetical-license damages because it failed to  
23 provide objective evidence of what a willing buyer would have paid, and because it failed to  
24 provide evidence sufficient to allow the jury to assess fair market value without undue  
25 speculation.” (Clarification Order 2:19-22). Oracle’s motion cites extensive case law showing  
26 substantial grounds to conclude that this ruling is incorrect as a matter of law.

27 **a. Objective Evidence**

28 Hypothetical-license damages rest on objective market value – that is, the license  
fee that the owner and infringer would have agreed to in a hypothetical negotiation – and not

1 merely the price the copyright owner subjectively would demand. *Jarvis v. K2 Inc.*, 486 F.3d  
2 526, 533 (9th Cir. 2007). This objective fair market value requirement, however, does *not*  
3 impose any specific evidentiary method of proving market value. On the contrary, the case law  
4 shows a wide array of approaches suffice, including consideration of the credible testimony of  
5 the copyright holder. (*See* Mot. 4-6).

6           SAP misreads this line of cases as requiring that the fair market value *evidence*  
7 must be objective, not the resulting value established by the evidence. (Opp. 1:15, 3:16-17, 4:16-  
8 17, 4:26-27, 8:26-28). It insists the Court’s JMOL was correct because “none of the *evidence* . . .  
9 that Oracle offered at trial to support its license fee was objective.” (Opp. 8:26-9:1) (emphasis  
10 altered). But SAP cites no legal authority that requires “objective evidence.” One of SAP’s  
11 cases (Opp. 8:6-10) holds merely that “market value” is the measure of damages and the owner’s  
12 subjective “hurt feelings” are not a proper measure of damages, and nowhere require “objective  
13 evidence.” *Mackie v. Rieser*, 296 F.3d 909, 917 (9th Cir. 2002); (*see* Mot. 5:1-6). SAP’s other  
14 case, *Frank Music*, did not require “objective evidence” of value, either. To the contrary, it  
15 acknowledged that “[c]redible testimony by the [copyright] owner . . . regarding its value can  
16 provide an adequate evidentiary basis for an award of damages.” 772 F.2d at 514 n.8 (quoting  
17 *Runge*, 441 F.2d at 582); *see also Runge*, 441 F.2d at 582 (*affirming* copyright damages based on  
18 the *owner’s testimony* as to the work’s value); *Universal Pictures Co.*, 162 F.2d at 369 (*affirming*  
19 copyright damages based partly on *owner’s testimony* as to the work’s value, and holding such  
20 testimony adequate).<sup>2</sup>

21           Oracle’s evidence goes directly to this market value.

22           Even if the Ninth Circuit did require “objective evidence,” Oracle’s evidence  
23 meets that requirement. In *Polar Bear v. Timex Corp.*, 384 F.3d 700 (9th Cir. 2004), the court  
24 affirmed a hypothetical-license award based entirely on the amount of money the copyright

25 \_\_\_\_\_  
26 <sup>2</sup> In *Frank Music*, the owner’s testimony was rejected not as a matter of law, but because  
27 the factfinder chose to disbelieve it. 772 F.2d at 513. The Ninth Circuit was “obliged to sustain  
28 this finding unless we conclude it is clearly erroneous,” and held that the district court’s finding  
that plaintiffs “failed to establish *any* damages” was “not clearly erroneous.” *Id.* at 513.

1 owner *unsuccessfully requested* in return for a license, even though the offer was rejected and  
2 there was no evidence any willing buyer would attach any similar value to that license. *Id.* at  
3 709. Here, Oracle presented extensive evidence of the value SAP itself attached to the rights  
4 infringed. That was in addition to Oracle’s own investment-backed valuation, at the time, of the  
5 business it would have expected to lose by licensing. This evidence is far more objective and  
6 reliable than the copyright owner’s unilateral demand held sufficient in *Polar Bear*.

7 **b. Sufficient Evidence**

8 At various points in this case, SAP has insisted that Oracle cannot recover  
9 hypothetical-license damages unless it (1) proves the loss of actual licensing opportunities; (2)  
10 presents evidence of benchmark licenses for the rights infringed; and (3) introduces “objective  
11 evidence” of the value of those rights. The Ninth Circuit imposes none of those requirements.  
12 The law only demands evidence sufficient to establish the fair market value of the rights  
13 infringed. *See Jarvis*, 486 F.3d at 534 (market value was objective because it “avoid[ed]  
14 references to what [plaintiff] thought he should have earned or wished he had charged”); *Polar*  
15 *Bear*, 384 F.3d at 709 (proposed license fee supported fair market value where “[n]othing  
16 suggests that the fee was contrived or artificially inflated”).

17 Because estimating expected gains and losses is the way businesses make  
18 decisions and measure value, each party’s valuation of the rights at the time of infringement, is  
19 reliable, probative and direct evidence. *Georgia-Pacific*, and the legion of cases that follow its  
20 framework, embodies that common sense conclusion. In case after case, courts uphold damage  
21 awards based on evidence of each party’s contemporaneous business expectations – precisely the  
22 type of evidence Oracle presented here. *See Georgia-Pacific Corp. v. United States Plywood*  
23 *Corp.*, 318 F. Supp. 1116, 1130-31 (S.D.N.Y. 1970) (court relied on defendant’s “profit  
24 expectations” to determine amount defendant would have paid for license), *modified and aff’d*,  
25 446 F.2d 295 (2d Cir. 1971); *Interactive Pictures Corp. v. Infinite Pictures, Inc.*, 274 F.3d 1371,  
26 1384 (Fed. Cir. 2001) (jury permissibly relied on infringer’s contemporaneous business plan to  
27 determine “infringer’s expected sales,” the very information that “would have been available to  
28 [defendant] at the time of the hypothetical negotiation”); *Snellman v. Ricoh Co.*, 862 F.2d 283,

1 289 (Fed. Cir. 1988) (similar); *TWM Mfg. Co., Inc. v. Dura Corp.*, 789 F.2d 895, 900 (Fed. Cir.  
2 1986) (similar); *Finjan, Inc. v. Secure Computing Corp.*, 626 F.3d 1197, 1209-12 (Fed. Cir.  
3 2010) (affirming that jury had “reasonable basis” to conclude that defendants’ anticipated profits  
4 from infringing provided defendants’ likely stance in “hypothetical negotiation” over license);  
5 *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1576-78 (Fed. Cir. 1995) (affirming district court’s  
6 finding of hypothetical-license damages based on plaintiff’s expected profits).

7           SAP distinguishes these cases solely because they involve patents, not copyrights.  
8 (Opp. 9:10-22). But SAP cannot now credibly claim that *Georgia-Pacific* does not apply. In  
9 jury instruction argument, SAP’s lawyer told the Court that “*Georgia-Pacific* is appropriate” in  
10 copyright cases. (Tr. 1982:1-24). SAP’s expert Clarke repeatedly told the jury that he used the  
11 “*Georgia-Pacific* factors” to value a hypothetical license. (Tr. 1566:22-24 [“Q. Did you consider  
12 the *Georgia-Pacific* factors in reaching your opinion? A. I did.”]); (Tr. 1573:10-11 [“Q. Okay.  
13 Putting all those *Georgia-Pacific* factors together, you came up with a royalty for  
14 TomorrowNow, correct? A. Correct.”]); (Tr. 1574:25-1575:11 [Clarke arrived at opinion “using  
15 the *Georgia-Pacific* factors”]). SAP’s repeated acknowledgement that *Georgia-Pacific* applies  
16 by itself admits that there are strong grounds to think that *Georgia-Pacific* applies.

17           Those admissions aside, SAP’s newfound basis for rejecting *Georgia-Pacific* is  
18 unpersuasive. SAP seeks to distinguish the “reasonable royalty” allowed by the Patent Act from  
19 the “actual damages” allowed by the Copyright Act. (Opp. 9:13-16). But “actual damages”  
20 under the Copyright Act include a hypothetical license fee: “what a willing buyer would have  
21 been reasonably required to pay to a willing seller for plaintiffs’ work.” *Jarvis*, 486 F.3d at 533  
22 (quoting *Frank Music*, 772 F.2d at 512); *Frank Music*, 772 F.2d at 512; *Sid & Marty Krofft*  
23 *Television Corp. v. McDonald’s Corp.*, 562 F.2d 1157, 1174 (9th Cir. 1977); *On Davis v. The*  
24 *Gap, Inc.*, 246 F.3d 152, 165-69 (2d Cir. 2001). Patent reasonable royalties seek to determine  
25 the same thing. *Rite-Hite Corp.*, 56 F.3d at 1576 (a “reasonable royalty” is a “hypothetical . . .  
26 calculated as if the parties negotiated at arm’s length as a willing licensor and a willing licensee  
27 on the date when the infringement began.”). SAP also urges that hypothetical-license damages  
28 in copyright are governed by an “objectivity rule” (Opp. 9:17-20), but that just means that they

1 seek objectively to determine what a reasonable willing buyer and seller would have negotiated.  
2 *Jarvis*, 486 F.3d at 534. Again, patent reasonable royalties seek to determine the same thing.  
3 *Rite-Hite Corp.*, 56 F.3d at 1576 (willing buyer and willing seller are assumed to have  
4 “negotiated at arm’s length”).

5 Whether *Georgia-Pacific* applies or not, SAP’s contention boils down to the  
6 suggestion that evidence of each party’s contemporaneous valuation of the rights infringed,  
7 based on the actual gains and losses each party to the transaction would expect in the market  
8 place, is insufficient as a matter of law to establish the market value of the rights infringed. That  
9 assertion is subject to substantial disagreement on the law of the Ninth Circuit and as a matter of  
10 simple business logic.

## 11 2. Speculative Evidence

12 There are also substantial grounds to disagree about whether Oracle’s evidence  
13 left the jury to speculate about fair market value. Evidence is not speculative if a “chain of  
14 logic” leads from the evidence to the finding. *United States v. Begay*, \_\_\_ F.3d \_\_\_, 2011 WL  
15 94566, at \*5 (9th Cir. 2011) (en banc) (internal citation omitted). “Only when there is a  
16 complete absence of probative facts to support the conclusion” is a finding speculative.  
17 *Lavender v. Kurn*, 327 U.S. 645, 653 (1946). Damages determinations receive even wider  
18 latitude. (Mot. 14:11-28). SAP’s brief does not dispute – or even address – this law. It does not  
19 dispute the “chain of logic” that leads directly from the evidence to the \$1.3 billion verdict.  
20 (Mot. 15:1-24). It does not argue a “complete absence of probative facts” to support the \$1.3  
21 billion verdict, nor could it.

22 SAP’s silence concerning the Court’s speculativeness conclusion tacitly concedes  
23 there are substantial grounds for disagreement on it.

## 24 3. Whether The Jury’s Verdict, Falling Within The 25 Reasonable Range Of Hypothetical-License Damages 26 Established By The Evidence, May Be Set Aside As 27 Excessive

28 SAP also stands silent on the third question – whether the Court had discretion to  
deem the verdict excessive and grant a new trial. (Mot. 16-18). When the jury’s damage award

1 falls within the fair range of the evidence, a district court does not have discretion to grant a new  
2 trial. *Silver Sage*, 251 F.3d at 820-21 & n.6, 825; *4.0 Acres of Land*, 175 F.3d at 1143; (Mot.  
3 16:10-17:7). SAP’s brief does not take issue with these cases. It cites *Silver Sage* generally to  
4 say that a new-trial grant is reviewed deferentially, but omits that *Silver Sage* reversed the grant  
5 of a new trial – precisely because the verdict had been in the fair range of the evidence. (Opp.  
6 7:1-4).

7 Further, the *reason* the Court granted the new-trial motion goes right back to  
8 Question No.1, the sufficiency of the evidence. The Court found the verdict grossly excessive  
9 compared to Oracle’s actual loss of customers. (Post-Trial Order 17:8-18, 20:12). That ruling  
10 depends on whether the JMOL was correct. If Oracle presented evidence sufficient to support a  
11 hypothetical-license award, then its recovery was not limited to damages for loss of customers  
12 and there would be no necessary connection between its actual loss of customers and its  
13 damages. (Mot. 17:17-18:3). If there was sufficient evidence of hypothetical-license damages,  
14 the verdict fell squarely in the range set by the evidence. The new-trial order is inextricably  
15 bound up with both Question No.1 and No.3. Again, SAP has no response.

16 **C. Certification Would Materially Advance The Termination Of**  
17 **The Litigation**

18 Certification would speed resolution of this case. If the Ninth Circuit agrees with  
19 Oracle on the legal questions, then it would restore the original judgment with no need for a  
20 second trial. If the Ninth Circuit reverses JMOL but affirms the new trial, the new trial can  
21 conform to the Ninth Circuit’s requirements for hypothetical-license damages. If the Court does  
22 *not* certify, there is a very real risk that the limits on the new trial will turn out to be erroneous,  
23 requiring a *third* trial. (Mot. 18:20-19:21). ***In any outcome, certification avoids at least one***  
24 ***trial.***

25 This is not a situation where the appeal of a pre-trial order may be mooted by later  
26 proceedings, as in many of SAP’s cases. *See* (Opp. 11:15-22); *F.T.C. v. Swish Mktg.*, No. C 09-  
27 03814 RS, 2010 WL 1526483, at \*4 (N.D. Cal. Apr. 14, 2010) (declining to certify pre-trial  
28 order regarding remedies where it is “possible to resolve the matter at the liability phase without

1 ever reaching the remedy”); *Barbaro v. United States ex rel. Fed. Bureau of Prisons*, 05 Civ  
2 6998 (DLC), 2008 WL 474135, at \*2 (S.D.N.Y. Feb. 21, 2008) (declining to certify pre-trial  
3 order where “outcomes during the litigation of the remaining claims [may] render . . . [the issue]  
4 moot”); *Mazzella v. Stineman*, 472 F. Supp. 432, 435-36 (E.D. Pa. 1979) (declining to certify  
5 pre-trial order regarding venue). This case went to verdict. The Court’s post-trial orders suggest  
6 it will not permit an award of more than a fraction of that amount. Thus, subsequent events  
7 could not moot Oracle’s appeal.<sup>3</sup>

8 SAP contends that a second trial will take less time than a Ninth Circuit appeal.  
9 (Opp. 12:5-9). This argument misses the point for the reasons given above: a second trial only  
10 delays the inevitable appeal and opens the real prospect of a third trial. (Mot. 19:5-16).  
11 Consequently, it is quite likely that going forward with a scheduled trial “would delay the case  
12 longer than if the interlocutory appeal were decided prior to trial.” *F.D.I.C. v. Anders*, CIV. S-  
13 87-430EJG/PAN, 1991 WL 442874, at \*3 (E.D. Cal. July 2, 1991) (certifying order to  
14 interlocutory appeal even though Ninth Circuit “with its docket crowded . . . may not be in a  
15 position to decide this interlocutory appeal prior to the scheduled trial date”).

16 The cases cited by SAP do not involve the risk of a third trial. In those cases, the  
17 interlocutory appeal would not determine the substantive standard governing plaintiffs’ claims.  
18 *See Kraus v. Bd. of Cnty. Rd. Comm’rs for Cnty. of Kent*, 364 F.2d 919, 921, 922 (6th Cir. 1996)  
19 (where summary judgment was denied on applicability of statutory notice, interlocutory appeal  
20 would not have changed substantive standard governing wrongful death claim; no risk of third  
21

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22 <sup>3</sup> SAP goes even further off point in citing cases where certification was denied because  
23 the appeal would not appreciably affect the trial. *See, e.g., Shurance v. Planning Control Int’l.,*  
24 *Inc.*, 839 F.2d 1347, 1348 (9th Cir. 1988) (reversal of order regarding disqualification of counsel  
25 would not affect outcome of litigation); *Sonoda v. Amerisave Mort’g. Corp.*, No. C-11-1803  
26 EMC, 2011 WL 3957436, at \*1 (N.D. Cal. Sept. 7, 2011) (similar); *Mateo v. M/S Kiso*, 805 F.  
27 Supp. 792, 800-01 (N.D. Cal. 1992), *abrogated on other grounds by Brockmeyer v. May*, 361  
28 F.3d 1222 (9th Cir. 2004) (similar); *see also Brizzee v. Fred Meyer Stores, Inc.*, CV-04-1566-ST,  
2007 U.S. Dist. LEXIS 99155, at \*13-16 (D. Or. Dec. 10, 2007) (reversal on “limited” issue may  
not resolve all issues for trial). As detailed in the Motion (Mot. 18:27-19:16) and the text above,  
appeal now would drastically affect the new trial. A successful appeal would either eliminate the  
second trial altogether or determine the availability and requirements for hypothetical-license  
damages.

1 trial); *Matsunoki Group, Inc. v. Timberwork Oregon, Inc.*, No. C 08-04078 CW, 2011 WL  
2 940218, at \*1, 3 (N.D. Cal. Feb. 18, 2011) (where relief was granted from summary judgment  
3 based on newly discovered evidence, interlocutory appeal would not have changed substantive  
4 standard governing copyright and trademark claims; no risk of third trial); *United States ex rel.*  
5 *Wilson v. Maxxam, Inc.*, No. C 06-7497 CW, 2009 WL 322934, at \*11-12 (N.D. Cal. Feb. 9,  
6 2009) (where judgment on the pleadings was denied on applicability of immunity doctrine,  
7 interlocutory appeal would not have changed substantive standard governing fraud claims; no  
8 risk of third trial).<sup>4</sup>

9 Here, certification might avert a second trial, or even a third by providing clear  
10 and “explicit[]” guidance on the proper scope of damages. (Post-Trial Order 12:1). Either way,  
11 an interlocutory appeal will facilitate the efficient and speedier resolution of this litigation by  
12 clarifying the controlling legal issues. *See, e.g., William Inglis & Sons Baking Co. v. ITT Cont’l*  
13 *Baking Co., Inc.*, 668 F.2d 1014, 1036-39 (9th Cir. 1981) (on interlocutory appeal, reversing  
14 grant of judgment notwithstanding verdict, affirming grant of new trial, and providing explicit  
15 interpretation of governing case law).

### 16 **III. CONCLUSION**

17 The Court should certify its Post-Trial Order, even as clarified in the Clarification  
18 Order, for interlocutory appeal.

19 DATED: September 23, 2011

Bingham McCutchen LLP

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

23  
24 \_\_\_\_\_  
25 <sup>4</sup> SAP should not have cited *Aggio v. Estate of Aggio*, No. C 04-4357 PJH, 2006 WL  
26 149006, at \*2 (N.D. Cal. Jan. 18, 2006), which is marked “Not for Citation.” *Aggio* supports  
27 certification here anyway. There, the Court ruled that certification would materially advance the  
28 underlying litigation even though discovery had already closed and all that remained was a  
summary judgment motion and trial preparation. Likewise, pre-trial motions and trial  
preparation here necessitate “a significant amount of work” that could be mooted by an  
interlocutory appeal.