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15 UNITED STATES DISTRICT COURT
 16 NORTHERN DISTRICT OF CALIFORNIA
 17 SAN FRANCISCO DIVISION

19 ORACLE USA, INC., a Colorado corporation, *et*
 20 *al.*,

21 Plaintiffs,

22 v.

23 SAP AG, a German corporation, *et al.*,

24 Defendants.

CASE NO. 07-CV-01658 PJH (EDL)

**PLAINTIFFS' REPLY RE MOTION
 FOR ENTRY OF FINAL JUDGMENT
 UNDER FED. R. CIV. P. 54(B) OR
 CERTIFICATION FOR
 INTERLOCUTORY APPEAL
 PURSUANT TO 28 U.S.C. § 1292(B)
 REGARDING DISMISSAL OF
 PLAINTIFFS OSC AND JDEE**

Date: March 4, 2009
 Time: 9:00 a.m.
 Place: Courtroom 3, 17th Floor
 Judge: Hon. Phyllis J. Hamilton

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1 **I. INTRODUCTION**

2 SAP urges this Court to ignore the serious and far reaching consequences of a
3 ruling contrary to settled law. SAP spends the first six pages of its brief opposing a motion for
4 reconsideration that Oracle does not bring. The apparent point of this phantom opposition is to
5 preserve, unreviewed, a ruling that results in a significant forfeiture of claims. While SAP would
6 no doubt enjoy this windfall, the law does not permit the forfeiture SAP seeks. That is why
7 Oracle asks the Court to either clarify its ruling to avoid that forfeiture, or permit Oracle to
8 appeal now, while time remains to resolve the legal issues in a timely and efficient manner.

9 Notwithstanding SAP’s attempts to complicate the issue, the problem regarding
10 pre-merger claims is simply framed: The entities that owned the copyrights at issue in this case
11 during the first several years of SAP’s infringement assigned ownership of those copyrights to
12 Oracle International Corporation (“OIC”), but did not expressly transfer the right to sue on past
13 infringement; those entities then merged into Oracle Systems Corporation (“OSC”). If neither
14 OSC nor OIC can assert pre-merger infringement claims, these claims have presumably
15 disappeared, with no basis in law for such a result in these circumstances.

16 SAP has urged exactly that result from the beginning, but in three briefs on the
17 subject, it has never cited authority that supports it. Decisions from the Ninth Circuit, Second
18 Circuit and U.S. Supreme Court all demonstrate that a party who transfers ownership of
19 copyrights, but does not expressly transfer the right to sue on past infringements, *retains* the right
20 to sue on past infringements. No authority suggests those *retained* rights can vanish whether by
21 merger or any other event. On the contrary, it is well-established that all rights, including the
22 right to sue on accrued claims, pass automatically to the surviving company in a merger.

23 SAP urges a similar forfeiture as to the EMEA-related claims of J.D. Edwards
24 Europe (“JDEE”). SAP points out that JDEE may not pursue claims for infringing acts
25 undertaken in the U.S. affecting EMEA rights because the Court has concluded that JDEE holds
26 only extraterritorial rights. Yet SAP also asserts that OIC, which holds domestic rights, cannot
27 pursue those claims for infringement, either. Again, SAP urges the Court toward a result that
28 lets no party recover for years of infringing conduct occurring in the United States.

1 Oracle asks the Court to clarify its order because that order leaves it unclear
2 whether any party in the case can assert the pre-merger infringement claims alleged by OSC, or
3 the EMEA-related infringement claims alleged by JDEE. If the Court’s order means no party
4 can assert those claims, then we respectfully submit that the Court has made an important error
5 with significant consequences. It is imperative to correct that error now, by expediting the
6 appeal of the Court’s dismissal order.

7 SAP urges the Court not to let Oracle have its say in the Ninth Circuit, but its
8 arguments illustrate that the Court’s order meets the criteria for entry of final judgment under
9 Fed. R. Civ. P. 54(b) (or, alternatively, for interlocutory certification). The Court’s order
10 dismissing OSC and JDEE disposes of all claims for both parties, and so is final as to both
11 parties. In addition, the jurisdictional issues of standing and extraterritoriality are separate,
12 distinct and plainly severable from the underlying factual merits of the infringement claims that
13 remain before this Court. Finally, Ninth Circuit law (as opposed to the Second Circuit law relied
14 upon by SAP) recognizes that a consolidated trial on common issues, and the resulting cost-
15 savings and expediency, merit a Rule 54(b) judgment. If the Ninth Circuit reinstates OSC or
16 JDEE as plaintiffs, that should happen sooner rather than later so all claims can proceed to trial
17 together. Delayed reinstatement of either OSC or JDEE would lead to a second round of
18 litigation, imposing significant and unnecessary costs on the Court and the parties alike.

19 If the Court concludes no party may assert pre-merger or EMEA-related
20 infringement claims, there is every reason to expedite the appeal of that decision and no reason
21 to delay it. The Court should grant Oracle’s motion and enter final judgment as to OSC and
22 JDEE or certify its dismissal order for interlocutory appeal.

23 **II. ARGUMENT**

24 **A. The Law Precludes The Forfeiture SAP Urges**

25 SAP spends the first six pages of its opposition complaining that Oracle’s motion
26 is a “thinly-veiled” and “disguised” motion for reconsideration that should be denied out of hand.
27 (See Defs.’ Opp’n to Pls.’ Mot. for Entry of Final J. under Fed. R. Civ. P. 54(b) or Certification
28 for Interlocutory App. Pursuant to 28 U.S.C. § 1292(b) Regarding Dismissal of Pls. OSC and

1 JDEE (“SAP Opp’n”), Docket No. 273, at 1-6.) SAP is mistaken. Oracle seeks only to
2 determine whether an appeal is necessary at this time, and if so, it seeks the right to pursue that
3 appeal in the most timely and efficient manner. While the Court remains free to reconsider its
4 dismissal order on its own, Oracle neither requests nor demands reconsideration.

5 The reason SAP would have the Court deny Oracle’s motion without careful
6 consideration is simple: SAP seeks a windfall. It infringed for years, and now wants to escape
7 liability on the grounds that the claims against it simply disappeared when one entity merged into
8 another. SAP does not mention or discuss any of the authority that expressly precludes such a
9 forfeiture. SAP does not acknowledge, and would have the Court ignore, the law that establishes
10 mergers do not extinguish the right to sue on past infringements. (*See* Pls.’ Mot. for Entry of
11 Final J. under Fed. R. Civ. P. 54(b) or Certification for Interlocutory App. Pursuant to 28 U.S.C.
12 § 1292(b) Regarding Dismissal of Pls. OSC and JDEE (“Oracle Mot.”), Docket No. 258, at 7-8.)
13 It also ignores the rule that courts should interpret statutes, including the Copyright Act, to avoid
14 unintended forfeiture of property rights. (*See* Oracle Mot. at 8.)

15 SAP also does not mention the controlling authority on which the Court based its
16 decision to dismiss OSC, *Silvers v. Sony Pictures Entertainment, Inc.*, 402 F.3d 881 (9th Cir.
17 2005) (en banc). SAP would have the Court ignore the fact that *Silvers* did not involve a merger
18 or any transfer of ownership. *Silvers* does not suggest, much less hold, that a past owner of a
19 copyright or its successor in interest lacks standing to assert past infringements. (*See* Oracle
20 Mot. at 8-9.) SAP also does not mention *ABKCO Music, Inc. v. Harrisongs Music, Ltd.*, 944
21 F.2d 971 (2d Cir. 1991), which *Silvers* adopted expressly. (*See* Oracle Mot. at 8, 15.) SAP
22 ignores *Silvers* and *ABKCO* because those cases make it clear that when a copyright owner
23 transfers ownership of a copyright, but does not expressly transfer the right to sue on past claims,
24 the transferring party *retains* the right to sue on past infringements. *See ABKCO*, 944 F.2d at
25 980. (*See also* Oracle Mot. at 7-8.) Indeed, *Silvers* relies on a U.S. Supreme Court case that
26 holds the right to sue on past infringements is retained by a party who transfers ownership of a
27 patent, and *Silvers* explains that that case applies equally to copyrights. *See Silvers*, 402 F.3d at
28 888 (citing *Crown Die & Tool Co. v. Nye Tool & Mach. Works*, 261 U.S. 24, 44 (1923)). (*See*

1 also Oracle Mot. at 9.) SAP does not mention *Crown Die*, either.

2 These authorities establish that a party who transfers ownership of a copyright to
3 another party, but does not expressly transfer the right to sue for past infringements of that same
4 copyright, *retains* the right to sue on past infringements. Accordingly, there should be no dispute
5 that PeopleSoft, Source and YOUCentric *retained* the rights to sue on past infringements
6 following their transfer of copyright ownership to OIC. The question, then, is what happened to
7 those rights.

8 According to SAP, they disappeared—just vanished into thin air. Specifically,
9 SAP contends that any “transfer” of the rights to sue on past claims from PeopleSoft, Source or
10 YOUCentric to OSC had to be express, or else those rights disappeared upon the merger of these
11 entities into OSC. (*See* SAP Opp’n at 5 (“[T]ransfers of the right to sue for past [copyright
12 infringement] must be express”).)¹ That is simply and demonstrably wrong. A merger has been
13 held not to effect a transfer for purposes of the Copyright Act. *See Forry, Inc. v. Neundorfer,*
14 *Inc.*, 837 F.2d 259, 262 (6th Cir. 1988); *Raffoler, Ltd. v. Peabody & Wright, Ltd.*, 671 F. Supp.
15 947, 952 & n.2 (E.D.N.Y. 1987). (*See also* Oracle Mot. at 7-8.) Again, SAP simply ignores
16 these cases, which demonstrate that no “transfer” occurred from PeopleSoft, Source or
17 YOUCentric to OSC. Far from disappearing, the rights of PeopleSoft, Source and YOUCentric,
18 including the right to sue on accrued claims, passed automatically to OSC under Delaware law.
19 *See* Del. Code Ann. tit. 8, § 259 (2008) (“When any merger or consolidation shall have become
20 effective under this chapter . . . all property, rights, privileges, powers and franchises, and all and
21 every other interest shall be thereafter as effectually the property of the surviving or resulting
22 corporation as they were of the several and respective constituent corporations”); *Heit v.*

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24
25 ¹ All of the authorities SAP cites in support of this contention concern the question of
26 whether an *assignee* of copyrights can sue on pre-assignment claims without an express transfer
27 of those past claims. *See Co-opportunities, Inc. v. Nat’l Broad. Co.*, 510 F. Supp. 43 (N.D. Cal.
28 1981); *DeSilva Constr. Corp. v. Herrald*, 213 F. Supp. 184 (M.D. Fla. 1962); *Lanard Toys Ltd.*
v. Novelty Inc., 511 F. Supp. 2d 1020 (C.D. Cal. 2007)). That is not the question here. The
question here is whether the *assignor* and its successor in interest retain the right to sue on past
claims when that right is not transferred expressly.

1 *Tenneco, Inc.*, 319 F. Supp. 884, 887 (D. Del. 1970) (merger causes accrued causes of action to
2 pass by operation of law to surviving company).

3 There is simply no authority to support the forfeiture SAP demands. The
4 authorities above—all cited in Oracle’s moving papers and completely ignored by SAP—
5 establish that a party who transfers a copyright to another party, but does not expressly transfer
6 the right to sue on past infringements, *retains* the right to sue on past infringements. That
7 *retained* right to sue on past claims then transfers to the surviving entity in a merger. That means
8 OSC should have standing to assert the claims it alleged. If OSC does not, then OIC should, as
9 the new owner of the copyrights at issue. There is no basis to suggest, much less conclude, the
10 right to sue on pre-merger infringement claims was forfeited as a result of the merger.²

11 Similarly, no basis exists to impose the forfeiture SAP urges in respect to EMEA-
12 related claims. Having convinced the Court that JDEE’s infringement claims based on infringing
13 conduct occurring in the U.S. are “extraterritorial” on the ground that JDEE holds only foreign
14 rights, SAP now suggests that OIC, the party that holds domestic rights, cannot pursue those
15 claims either. (*See* SAP Opp’n at 6.) SAP urges this result on the ground that a copyright owner
16 who grants an exclusive license cannot sue for later infringement of those rights. *See id.* But if
17 JDEE has only foreign rights, as SAP convinced the Court, those are the only exclusive rights
18 JDEE could possibly hold. Those exclusively foreign rights cannot preclude OIC from suing on
19 infringing conduct that occurred in the United States. Once again, SAP urges the Court to ignore
20

21
22 ² Neither *Silvers* nor *ABKCO* involved an assignor that merged into one party immediately
23 after having conveyed ownership to another party. Accordingly, neither case forecloses the
24 possibility that OIC has standing to pursue pre-merger claims through an implied transfer. *Cf.*
25 *Parfums Givenchy, Inc. v. C & C Beauty Sales, Inc.* 832 F. Supp. 1378, 1384 (C.D. Cal. 1993)
26 (“Although an assignment of a copyright ordinarily is presumed not to convey the right to sue for
27 prior causes of action, this presumption is not conclusive, but instead depends on the particular
28 circumstances of the assignment.”) Implied transfer is a far more equitable interpretation than a
forfeiture of all rights to sue on pre-merger claims. To avoid this obviously equitable result, SAP
seizes on a snippet from the oral argument on its original motion to dismiss and tries to turn it
into an admission by Oracle that OIC could not assert these claims if OSC cannot. (*See* SAP
Opp’n at 2, 5.) Counsel’s statement does not state or suggest any party is waiving any rights,
and likewise should not be construed as a forfeiture of important rights.

1 the controlling law (here, the recent amendments to 17 U.S.C. § 602, which were not addressed
2 in the Court’s dismissal order) and then go a step beyond that by precluding other parties from
3 asserting the claims when neither the law nor common sense supports the forfeiture SAP urges.

4 **B. If No Party May Pursue OSC’s Pre-Merger Or JDEE’s**
5 **EMEA-Related Claims, Then The Court Should Enter Final**
6 **Judgment Or Certify Its Order For Immediate Appeal**

7 If OIC may not pursue pre-merger infringement claims in place of the dismissed
8 plaintiffs, or claims for infringement of certain J.D. Edwards products in EMEA, then Oracle
9 must appeal that decision to avoid the forfeitures that would result. SAP tries to distract the
10 Court from the obvious and substantial benefits of expediting that appeal to avoid the potential
11 reinstatement of significant additional claims against it as long as possible. That does not
12 constitute grounds to prevent an appeal, and all relevant factors support an appeal now.

13 **1. The Court Should Enter Final Judgment Against OSC**
14 **And JDEE Pursuant To Rule 54(b)**

15 SAP does not dispute the clear purpose of Rule 54(b). The rule addresses the
16 “potential for injustice for litigants who had to await the conclusion of the entire litigation even
17 though their rights on certain issues had been conclusively resolved early on.” *Indiana Harbor*
18 *Belt R.R. v. American Cyanamid Co.*, 860 F.2d 1441, 1443 (7th Cir. 1988) (citing *Dickinson v.*
19 *Petroleum Conversion Corp.*, 338 U.S. 507, 511-12 (1950)); accord *S.E.C. v. Capital*
20 *Consultants LLC*, 453 F.3d 1166, 1173-74 (9th Cir. 2006) (also citing *Dickinson*). (See also
21 Oracle Mot. at 11.) Instead, SAP reports that the Second Circuit says Rule 54(b) judgments
22 should be issued “sparingly” and only in “the infrequent harsh case.” (SAP Opp’n at 7 (citing
23 *Hogan v. Consol. Rail Corp.*, 961 F.2d 1021, 1025 (2d Cir. 1992)).) While it is true that Rule
24 54(b) judgments must be the exception rather than the rule in light of the policy against
25 piecemeal appeals, see *Curtiss-Wright Corp. v. Gen. Elec. Co.*, 446 U.S. 1, 8 (1980), Rule 54(b)
26 judgments are appropriate where the court dismisses all the claims of certain parties. See *Capital*
27 *Consultants*, 453 F.3d at 1174 (order disposing of all claims of some parties falls “squarely
28 within Rule 54(b)”). Rule 54(b) judgments are also appropriate where the court dismisses a
party on jurisdictional grounds that are severable from the merits of the lawsuit. *Core-Vent*

1 *Corp. v. Nobel Indus. AB*, 11 F.3d 1482, 1484 (9th Cir. 1993).³

2 Here, all of the Rule 54(b) criteria are met and entry of final judgment is
3 appropriate. The Court’s order dismissing OSC and JDEE is final as to both parties, the appeal
4 from that order presents jurisdictional issues of standing and extraterritoriality that are plainly
5 distinct and several from the merits of the infringement claims that remain before this Court, and
6 entering a Rule 54(b) judgment is the only way to avoid the tremendous inefficiency that would
7 result if the claims alleged by OSC and JDEE are reinstated years from now, following the
8 conclusion of this matter.

9 **a. The Court’s Order Of Dismissal Is Final As To**
10 **OSC And JDEE**

11 SAP does not dispute the Court’s dismissal order is final as to OSC and JDEE.
12 (*See* SAP Opp’n at 6-9.) That order resolved all claims asserted by those parties. (*See* Oracle
13 Mot. at 12.)

14 **b. The Issues To Be Decided On Appeal Will Not**
15 **Overlap With The Issues That Remain In The**
16 **Case**

17 The fundamental question that arises from the Court’s order dismissing OSC and
18 JDEE for lack of jurisdiction is whether each of these parties has standing to assert the claims
19 alleged. Whether the court has jurisdiction over OSC’s claims turns on strictly legal issues and
20 the simple and undisputed terms of the copyright assignments. (*See* Oracle Mot. at 12-13; P. 3-5,
21 above.) Whether the Court has jurisdiction over JDEE’s claims turns on the common law of
22 extraterritoriality and the scope of JDEE’s license, the terms of which are also undisputed. (*See*
23 Oracle Mot. at 13; P. 5, above.) These questions are obviously severable from the merits of
24 Oracle’s infringement claims, making a Rule 54(b) judgment appropriate. *See, e.g., Core-Vent,*

25 ³ Citing *Morrison-Knudsen Co. v. Archer*, 655 F.2d 962, 965 (9th Cir. 1981), SAP also
26 suggests Rule 54(b) judgments must be “reserved for the unusual case.” (SAP Opp’n at 7.) But
27 SAP neglects to mention the Ninth Circuit itself has declared that *Morrison-Knudsen* reflects “an
28 outdated and overly restrictive view of the appropriateness of Rule 54(b) certification.” *Texaco,*
Inc. v. Ponsoldt, 939 F.2d 794, 798 (9th Cir. 1991).

1 11 F.3d at 1484 (finding entry of final judgment proper under Rule 54(b) where jurisdictional
2 issues were “easily severable from the merits of the lawsuit”).

3 SAP contends that the copyright claims asserted by OSC and JDEE were based on
4 the “same alleged misconduct” and “raise the same basic questions” of liability and damages as
5 OIC’s infringement claims. (*See* SAP Opp’n at 8.) SAP then asserts that the fact that its
6 underlying misconduct is the same for all claims precludes a Rule 54(b) judgment. (*See id.*)

7 SAP misses the point. The Ninth Circuit has stressed repeatedly that “claims with
8 overlapping facts” are not “foreclosed from being separate for purposes of Rule 54(b).” *Wood v.*
9 *GCC Bend, LLC*, 422 F.3d 873, 881 (9th Cir. 2005). On the contrary, a Rule 54(b) judgment is
10 appropriate where dismissed and non-dismissed claims “require proof of the same facts” so long
11 as the legal issues presented by the appeal are distinct. *See, e.g., Texaco*, 939 F.2d at 798
12 (affirming appropriateness of Rule 54(b) judgment where district court dismissed plaintiff’s
13 claims but did not dismiss defendant’s counterclaims concerning same real estate transaction);
14 *Cont’l Airlines, Inc. v. Goodyear Tire & Rubber Co.*, 819 F.2d 1519, 1525 (9th Cir. 1987)
15 (affirming appropriateness of Rule 54(b) judgment where court dismissed some of plaintiff’s
16 claims based on exculpatory contract clause, but left other claims in place because the appeal
17 “efficiently separated the legal from the factual questions”). Accordingly, the question is not
18 whether a defendant’s underlying conduct is the same in regard to dismissed and non-dismissed
19 claims. The question is whether an appeal from the dismissed claims will present factual and
20 legal issues distinct from those that remain before the trial court. *See id.*

21 Here there is no doubt the issues are distinct. SAP itself acknowledges the
22 “focus” of the case that remains centers on whether SAP copied software and other protected
23 materials, whether any plaintiff was harmed, and what damages resulted. (*See* SAP Opp’n at 8.)
24 The appeal will raise none of those questions. It will raise strictly jurisdictional issues: (1)
25 whether OSC has standing under section 501(b) of the Copyright Act based on the simple and
26 undisputed transfers at issue; and (2) whether JDEE asserts wholly extraterritorial claims based
27 the undisputed terms of its license. These issues are factually and legally distinct from SAP’s
28 underlying misconduct.

1 SAP confuses this point again by suggesting there is overlap because the Court
2 would have to look at the same transfers to determine whether “the right to sue for past
3 infringement passed to OIC” or remained with OSC, and may still have to interpret the scope of
4 JDEE’s exclusive license. (*See* SAP Opp’n at 9.) But the Court has already decided the right to
5 sue for past claims did not pass to OSC, and SAP asserts the Court’s order of dismissal precludes
6 OIC from asserting those claims too. Similarly, the Court has already interpreted the scope of
7 JDEE’s exclusive license, and SAP contends the Court’s dismissal order precludes both JDEE
8 and OIC from asserting any of those rights. (*See* SAP Opp’n at 6.) So, according to SAP itself,
9 nothing remains to decide on either issue.

10 The jurisdiction and standing questions presented by an appeal from the Court’s
11 dismissal order are legally and factually distinct from the merits issues that remain. The fact that
12 the dismissed plaintiffs have similar claims, if the Court has jurisdiction to hear them, just points
13 out the imperative efficiency of the appeal.

14 **c. There Is No Just Reason To Delay The Appeal**

15 The efficiency in expediting Oracle’s appeal is plain. If the Ninth Circuit
16 reinstates OSC and JDEE, having only one trial on the claims of all Plaintiffs will cost the parties
17 less and will save the Court’s time. Two trials would cost more and would require more of the
18 Court’s time. (*See* Oracle Mot. at 14.)

19 SAP tries to avoid the clear efficiency of an expedited appeal by suggesting that
20 the Second Circuit does not consider the cost of a retrial to be a good reason to enter a Rule 54(b)
21 judgment. (*See* SAP Opp’n at 10 (citing *Hogan v. Consol. Rail Corp.*, 961 F.2d 1021 (2d Cir.
22 1992)).) But the Ninth Circuit does. *See Romine v. Diversified Collection Svcs., Inc.*, 155 F.3d
23 1142, 1143 (9th Cir. 1998) (“district judge astutely entered [Rule 54(b) judgment]” against one
24 party so legal issue underlying the dismissal could be resolved on appeal before proceeding with
25 trial); *Core-Vent*, 11 F.3d at 1484 (“We are satisfied that dealing with the jurisdictional issue
26 now may obviate the need for a second trial, and thus aids in the expeditious decision of the
27
28

1 case.”).⁴ That is particularly so where an order presents a threshold jurisdictional issue. *See*
2 *Core-Vent*, 11 F.3d at 1484; *see also San Mateo Country Transit Dist. v. Dearman, Fitzgerald &*
3 *Roberts, Inc.*, 979 F.2d 1356 (9th Cir. 1992) (reviewing Rule 54(b) judgment dismissing one of
4 several defendants for lack of personal jurisdiction). Accordingly, the potential savings in
5 avoiding a costly second trial qualifies as the “seriously important reason” the Ninth Circuit
6 demands for entry of a Rule 54(b) judgment. (*See* SAP Opp’n at 11 (quoting *Wood*, 422 F.3d at
7 882).)

8 Unable to effectively dispute the efficiency of expediting the appeal of the Court’s
9 dismissal order, SAP suggests it is simply too late to achieve it. (*See* SAP Opp’n at 11.)
10 Specifically, SAP points out that the median time to disposition was 17.3 months in 2007,
11 whereas the trial of this matter begins in about 12 months. (*See id.*) That fact alone hardly
12 demonstrates that OSC and JDEE could not be reinstated before trial. That statistic is simply an
13 average, the issues presented by the Court’s dismissal order are straightforward, they could be
14 briefed quickly and efficiently, and the Ninth Circuit does provide a mechanism for expediting
15 an appeal. *See* Cir. R. 27-12 (briefing and hearing of appeal may be expedited for good cause
16 shown).

17 **2. In The Alternative, The Court Should Certify Its Order**
18 **For Interlocutory Appeal Pursuant To 28 U.S.C. §**
19 **1292(b)**

20 While certification for interlocutory appeal must be the exception rather than the
21 rule, certification is appropriate where “allowing an interlocutory appeal would avoid protracted
22 and expensive litigation.” *In re Cement Antitrust Litigation*, 673 F.2d 1020, 1026 (9th Cir.
23 1982). That is precisely the situation here. The Court’s order dismissing OSC and JDEE
24 presents controlling issues of law as to which there is substantial room for disagreement.

25 ⁴ Other courts agree. *See, e.g., Mercado v. Ritz-Carlton San Juan Hotel, Spa & Casino*,
26 410 F.3d 41, 45-46 (1st Cir. 2005) (Rule 54(b) judgment appropriate for order dismissing two of
27 three plaintiffs on statute of limitations grounds because appeal involved discrete legal issues and
28 trial would be more efficient if all three plaintiffs proceeded together); *Theriot v. Trumbull River*
Servs., Inc., 835 F. Supp. 465, 468 (C.D. Ill. 1993).

1 Expediting the appeal of that order has the potential to avoid a second round of expensive
2 litigation.

3 **a. The Court’s Order Presents Controlling**
4 **Questions Of Law**

5 A controlling issue is one that could affect the outcome of the case in the District
6 Court. *See In re Cement Antitrust Litigation*, 673 F.2d at 1026. The Court’s order dismissing
7 OSC and JDEE for lack of jurisdiction ends the case for both parties, so it certainly affects the
8 outcome of the case for both of these parties. (*See Oracle Mot.* at 15.) SAP suggests the Court’s
9 order is not “controlling” because OIC still has live claims. (*See SAP Opp’n* at 13.) That does
10 not change the fact the Court’s order ends the case for OSC and JDEE, which renders it
11 controlling for these parties. *See Delaware Valley Surgical Supply, Inc. v. Johnson & Johnson*,
12 523 F.3d 1116, 1118 (9th Cir. 2008) (permitting interlocutory appeal to determine standing of
13 one antitrust plaintiff while claims of other plaintiffs proceeded).

14 SAP goes on to contend interlocutory certification is only appropriate for “pure
15 questions of law” not “mixed question of law and fact” or the “application of law to a particular
16 set of facts.” (SAP Opp’n at 12 (citing *Ahrenholz v. Bd. of Trs. of Univ. of Ill.*, 219 F.3d 674,
17 676 (7th Cir. 2000) and *McFarlin v. Conseco Servs., LLC*, 381 F.3d 1251, 1258 (11th Cir.
18 2004)).) That is not the rule in the Ninth Circuit. *See Steering Committee v. United States*, 6
19 F.3d 572, 575 (9th Cir. 1993) (rejecting the view that § 1292(b) prohibits review of “mixed
20 questions of law and fact”). The Ninth Circuit routinely adjudicates interlocutory appeals that
21 require the application of law to specific facts. *See, e.g., Delaware Valley*, 522 F.3d at 1119
22 (allowing interlocutory appeal to determine whether dismissed plaintiff had standing to pursue
23 antitrust claims as a “direct purchaser” where plaintiff bought products from an independent
24 distributor); *Bassiri v. Xerox Corp.*, 463 F.3d 927, 929 (9th Cir. 2006) (allowing interlocutory
25 appeal to determine whether employer’s plan was a welfare benefit plan within scope of ERISA,
26 and whether it qualified as a payroll practice specifically exempted from ERISA).

27 In any event, questions of copyright standing are indisputably subject to
28 interlocutory certification. *Silvers* itself—the principal case this Court relied on in dismissing

1 OSC's claims—was an interlocutory appeal. *See Silvers*, 402 F.3d at 883. SAP nonetheless
2 suggests interlocutory certification is inappropriate where the court must apply the law to the
3 terms of an agreement. (*See SAP Opp'n* at 12-13.) That, of course, was exactly what the court
4 did in *Silvers*, holding that section 501(b) did not provide standing to a party who obtained only
5 the bare right to sue on past infringement claims. *See Silvers*, 402 F.3d at 890.

6 The Court's dismissal order presents exactly the sort of clean legal question
7 appropriate for interlocutory certification. The question of OSC's standing turns on the
8 interpretation of section 501(b), and whether the lack of an express transfer to OSC in a merger
9 forecloses OSC from asserting pre-merger infringement claims; that is a straightforward legal
10 question, as the analysis in *Silvers* and *ABKCO* demonstrate. The only facts that matter are the
11 simple, undisputed terms of transfer. The question of whether JDEE's claims are extraterritorial
12 turns on the application of the common-law doctrine of extraterritoriality. The only facts that
13 matter are whether Oracle has alleged infringing conduct that occurred in the United States and
14 the scope of JDEE's rights. It is beyond dispute that Oracle alleges infringing conduct in the
15 United States, and the scope of JDEE's rights are defined in the undisputed terms of its license.

16 This is not a situation where the appellate court would have to spend time
17 reviewing an extensive record. The jurisdictional questions presented here are overwhelmingly
18 legal, and turn only on a small set of undisputed facts.

19 **b. There Are Substantial Grounds For**
20 **Disagreement Concerning The Court's Order**

21 The Court's dismissal of OSC creates a disagreement with *ABKCO* (which holds
22 previous owners of copyrights retain the right to sue on past infringement where that right is not
23 expressly transferred), and *Silvers*, which adopted *ABKCO*. (*See Oracle Mot.* at 15-16; P. 3-5,
24 above.) It likewise contradicts and frustrates the explicit provisions of Delaware merger law, and
25 the well-established rule that statutes should be construed to avoid forfeitures. (*See P. 4, above.*)
26 SAP ignores these cases, the rules they lay down, and the obvious tension between these cases
27 and this Court's decision. This is not an issue of first impression. (*Contra SAP Opp'n* at 14.)
28 The principles that apply here are well-developed. The Court's order departs from them, and the

