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 11 ACACIA MEDIA TECHNOLOGIES CORPORATION

12 UNITED STATES DISTRICT COURT
 13 NORTHERN DISTRICT OF CALIFORNIA
 14 SAN JOSE DIVISION

15 In re) Case No.05 CV 01114 JW
 16)
 17) **PLAINTIFF'S OBJECTIONS TO**
 18) **DEFENDANT CEQUEL III**
 19) **COMMUNICATIONS I, LLC'S BILL OF**
 20) **COSTS**
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HENNIGAN, BENNETT & DORMAN LLP
 LAWYERS
 LOS ANGELES, CALIFORNIA

1 **I. INTRODUCTION**

2 Pursuant to Civil Local Rule 54-2, Acacia Media Corporation (“Acacia”) objects to the Bill
3 of Costs submitted by Cequel III Communications I, LLC (“Cequel” or “Defendant”) The parties’
4 counsel met and conferred in an effort to resolve disagreement about the taxable costs claimed in the
5 bill, but could not reach an agreement regarding the items identified in these objections.

6 Although this case was a multi-district patent litigation involving multiple Defendants, it was
7 decided on summary judgment on the purely legal issue of claim construction, and before any
8 significant discovery had taken place, as the Court had stayed discovery pending the claim
9 construction. As there were multiple Defendants in this action¹, the Defendants coordinated their
10 defenses, with some Defendants taking a lead role, and other Defendants taking a passive role, by
11 joining in the lead Defendants’ pleadings and arguments. Defendant Cequel took a passive role in
12 all proceedings in this action.

13 Further Cequel’s counsel represents four defendants in this action, Bresnan, Cable One, Inc.,
14 Cequel III Communications I, LLC, and Mediacom Communications Corp. Unlike all of the other
15 groups of Defendants represented by one counsel, counsel for these Defendants has submitted four
16 separate Bills of Cost, one for each Defendant. Collectively, these four Defendants seek \$13,429.05.
17 Cequel requests taxable “costs” totaling \$3,531.47.

18 As set forth below, Acacia makes the following objections to Defendant’s Bill of Costs:

- 19
- 20 • Defendant cannot recover any fees of the technical advisor, Mr. Schulz, because the
21 Court appointed Mr. Schulz as a technical advisor, not as a Rule 706 expert witness,
22 and the law is clear that only the fees of a Rule 706 court-appointed expert witness
23 are recoverable, and that the fees of a technical advisor are not recoverable, under 28
24 U.S.C. § 1920(6); and

25
26 ¹ Each multi-district litigation Defendant’s or group of Defendants’ Bills of Costs are currently
27 pending before the Clerk. There are 13 separate Bills of Costs, all of which were filed on November
28 6, 2009. The Defendants in this MDL action, that was decided on a legal issue on summary
judgment without any significant discovery, collectively seek the outrageous amount of \$231,378.35
in their 13 Bills of Cost. Acacia is filing a separate objection to each of the 13 Bills of Costs.

- The requested transcript fees should be reduced to eliminate recovery of fees for non-recoverable items, such as DVD's, the costs of a 2nd copy of court transcripts, shipping costs, and additional fees for expedited transcripts, and such costs should be reduced to eliminate recovery for transcripts that are not supported by adequate documentation.

II. LEGAL STANDARD

A district court's discretion in awarding costs to a prevailing party is limited to costs that are within the scope of 28 U.S.C. § 1920. *Crawford Fitting Co. v. J.T. Gibbons, Inc.*, 482 U.S. 437, 441-42 (1987). Although a district court may exercise its discretion to refuse to tax costs in favor of a prevailing party, it may not rely on its "equity power" to tax costs beyond those expressly authorized by 28 U.S.C. § 1920. *Crawford*, 482 U.S. at 442 ("The discretion granted by Rule 54(d) is not a power to evade this specific congressional command [Section 1920]. Rather, it is solely a power to decline to tax, as costs, the items enumerated in § 1920."); *See also, Romero v. City of Pomona*, 883 F.2d 1418, 1428 (9th Cir. 1988), *overruled on other grounds, Townsend v. Holman Consulting Corp.*, 914 F.2d 1136, 1141 (9th Cir. 1990) (*en banc*); *citing, Maxwell v. Hapag-Lloyd Aktiengesellschaft*, 862 F.2d 767, 770 (9th Cir. 1988) (*Crawford* strictly limits reimbursable costs to those enumerated in section 1920).

III. SPECIFIC OBJECTIONS

A. Compensation for Court-Appointed Experts

Defendant seeks \$1,464.03 for the fees of Rainer W. Schulz as "Compensation for Court-Appointed Experts" pursuant to 28 U.S.C. §1920(6). Mr. Schulz was appointed by the Court as a Technical Advisor, not as a "court-appointed expert" under F.R.E. 706. The law is clear that only experts under Rule 706 fall within the purview of 28 U.S.C. §1920(6) and therefore that a "Technical Advisor" does not constitute a "court-appointed expert" for purposes of taxable costs. *Nat'l Org. for the Reform of Marijuana Laws v. Mullen*, 828 F.2d 536, 546 n.7 (9th Cir. 1987) ("The legislative history [of Section 1920(6)], however, supports CAMP's argument that the words 'court appointed experts' in 28 U.S.C. §1920(6) refers only to expert witnesses, and that the language does

1 not include masters. The House Report to the bill enacting 28 U.S.C. § 1920(6) states that the
2 language in section 1920(6) referring to court appointed experts ‘makes express reference to the
3 taxation of the compensation of a court appointed expert, as permitted by rule 706 of the Federal
4 Rule of Evidence.’ H.R. Rep. No. 95-1687, 95th Cong., 2d Sess. 13, reprinted in 1978 U.S. Code
5 Cong. & Admin. News 4652, 4664.”); *Hall v. Baxter Healthcare Corp.*, 947 F. Supp. 1387, 1393 n.9
6 (D. Or. 1996) (“Because [the court] did not appoint the experts [technical advisors] under Rule 706,
7 their fees are not ‘costs’ that may be awarded to the prevailing party under Fed. R. Civ. P. 54(d) and
8 28 U.S.C. §1920(6).”); *citing*, *State of Kansas v. Defenbaugh Industries, Inc.*, 154 F.R.D. 269, 270
9 (D. Kan. 1994) (“The legislative history of § 1920(6) expressly refers to court-appointed expert
10 witnesses ‘as permitted by rule 706 of the Federal Rules of Evidence.’”)

11 Here, it is indisputable that Mr. Schulz was appointed by the Court as a technical advisor and
12 was not appointed as a Rule 706 expert witness. (*See* Order of Appointment (Doc. 92), attached as
13 Exhibit A hereto.) In appointing Mr. Schulz, the Court specifically stated that Mr. Schulz was a
14 technical advisor, *not* a Court-appointed Rule 706 expert witness and, contrary to the purpose of an
15 expert witness, Mr. Schulz was explicitly prohibited from supplying any evidence to the Court:

16 Accordingly, the Court appoints Mr. Rainer Schulz as a “*Technical Advisor*” . .
17 . [a]s a *technical advisor*, Mr. Schulz will make no written findings of fact and
18 *will not supply any evidence to the Court. Thus, Mr. Schulz will be outside the*
19 *purview of ‘expert witnesses’ under Fed. R. Evid. 706.”* (*Id.*; emphasis added).

20 Because, here, Mr. Schulz was appointed by the Court as a Technical Advisor and not as an
21 expert witness under Rule 706, none of his fees are taxable to Acacia under Section 1920(6).

22 **B. Transcript Fees**

23 Defendant seeks \$2,067.44 in fees for Court transcripts.

24 Defendant submits documentation showing \$7,572.81 of transcript fees. Defendant thus
25 seeks 27.3% of the total transcript fees.

26 Defendant seeks 27.3% of the \$420.51 for the deposition of Andrew Lippman. (Doc. No.
27 368-2, at 2). Included in this amount is \$46.78 delivery and processing. The costs for delivery is
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1 not recoverable. *Affymetrix, Inc. v. Multilyte Ltd.*, 2005 U.S. Dist. LEXIS 41177, at *7 (N.D. Cal.
2 2005) (“Shipping or expedited delivery charges and ‘extra’ charges such as ASCII/Mini/E-
3 transcripts, however, are not allowed.”) These unrecoverable costs should be deducted and only
4 \$102.03 allowed.

5 Defendant seeks 27.3% of the \$109.50 for a hearing on March 8, 2008. (Doc. 368-2, at 3).
6 Included in this full amount is \$43.80 for a 2nd copy. This cost is not recoverable under Local Rule
7 54-3(b) and therefore only \$17.94 should be allowed.

8 Defendant seeks 27.3% of the \$574.60 for hearings on September 7, 8, and 14, 2007. (Doc.
9 368-2, at 4). Included in this full amount is \$271.20 for a 2nd copy and \$100 for DVD’s. These
10 costs are not recoverable under Local Rule 54-3(b) and therefore only \$55.53 should be allowed.

11 Defendant seeks 27.3% of the \$1,075.44 for an unidentified hearing (Doc. 368-2, at 5).
12 Defendant has failed to provide an invoice for this charge. Without this invoice, it is impossible to
13 determine if Defendant is including further inappropriate charges as they have with the other
14 invoices. *See*, Local Rule 54-1(a) (“Appropriate documentation to support each item claimed must
15 be attached to the bill of costs.”) Defendant should not recover for this alleged transcript.

16 Defendant seeks 27.3% of the \$1,644.16 for hearings on September 7, 8, and 14, 2007.
17 (Doc. 368-2, at 6). Included in this full amount is \$894.30 for a 2nd copy and \$300 for DVD’s.
18 These costs are not recoverable under Local Rule 54-3(b) and therefore only \$128.27 should be
19 allowed.

20 Defendant seeks one-fourth of the \$70.72 for an unidentified hearing. (Doc. 368-2, at 7).
21 Defendant has failed to provide an invoice for this charge. Without this invoice, it is impossible to
22 determine if Defendant is including further inappropriate charges as they have with the other
23 invoices. *See*, Local Rule 54-1(a) (“Appropriate documentation to support each item claimed must
24 be attached to the bill of costs.”) Defendant should not recover for this alleged transcript.

25 Defendant seeks 27.3% of the \$705.71 for the deposition of S. Merrill Weiss. (Doc. No.
26 368-2, at 8). Included in this amount is \$188.75 for an ASCII disk and \$50.31 for delivery and
27 processing. The costs for an ASCII disk and delivery are not recoverable. *Affymetrix, Inc. v.*
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1 *Multityte Ltd.*, 2005 U.S. Dist. LEXIS 41177, at *7 (N.D. Cal. 2005) (“Shipping or expedited
2 delivery charges and ‘extra’ charges such as ASCII/Mini/E-transcripts, however, are not allowed.”)
3 These unrecoverable costs should be deducted and only \$127.40 allowed.

4 Defendant seeks 27.3% of the 2,007.32 in fees for the September 8 and 9, 2005 hearings.
5 (Doc. 371-2, at 2). Included in the full amount is \$470.80 for an “hourly” 1st copy, \$1,065.72 for a
6 2nd copy, and \$470.80 for “Realtime.” The charge per page for the original transcript was based on
7 the reporter’s “hourly” fee, which is \$1.10 per page. The reporter’s charge per page for an original
8 ordinary transcript is \$0.83 per page (See, Bill of Costs of EchoStar, at 363-2, at 6). Therefore,
9 because Defendants cannot recover for expedited transcripts (See, *Fresenius Medical Care*
10 *Holdings, Inc. v. Baxter International, Inc.*, 2008 U.S. Dist. LEXIS 107147, *17-18 (N.D. Cal.
11 2008)), the full cost of the original transcript must be reduced to \$355.24 (the price for 428 pages at
12 \$0.83 per page). Further, the costs for additional copies and realtime are not recoverable, as
13 Defendants are only entitled to the costs of a single transcript and costs, such as realtime, incurred
14 for the convenience of counsel are not recoverable. See, Local Rule 54-3(b) and *Whirlpool Corp. v.*
15 *LG Electronics, Inc.*, 2007 WL 2462659, *6 (W.D. Mich. 2007) (costs for realtime are not
16 recoverable). These unrecoverable costs should be deducted and Defendant’s 27.3% portion
17 allowed is \$96.98.

18 Defendant seeks 27.3% of the \$964.85 for the deposition of Peter Alexander. (Doc. No. 368-
19 2, at 10). The amount of \$263.40 is allowed.

20 Accordingly, a total of \$791.55 should be allowed as court proceeding transcript costs.
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1 **IV. CONCLUSION**

2 For the reasons discussed above, the Clerk should allow only the following costs to be
3 recovered by Defendant:

<u>Category of Cost</u>	<u>Amount Recoverable</u>
Fees for Transcripts	\$791.55
Fees for Court-Appointed Experts	\$0.00
Total	\$791.55

9 DATED: November 23, 2009

HENNIGAN, BENNETT & DORMAN LLP

11 By /s/ Alan P. Block

Roderick G. Dorman
Alan P. Block

Attorneys for Plaintiff
ACACIA MEDIA TECHNOLOGIES
CORPORATION

EXHIBIT A

United States District Court
For the Northern District of California

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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

Acacia Media Technologies Corporation,

NO. C 05-01114 JW

Plaintiff,

ORDER OF APPOINTMENT

v.

New Destiny Internet Group, et al.,

Defendant(s).

And All Related and/or Consolidated Case Actions

The Court is in receipt of Magistrate Judge Howard Lloyd's Report and Recommendation pursuant to the Court's June 21, 2005 Order Clarifying the Role of the Court's Technical Advisor, Mr. Rainer Schulz. (See Report and Recommendation that the Proposed Appointment of Rainer Schulz be Modified, Docket No. 91.) Accordingly, the Court appoints Mr. Rainer Schulz as a "Technical Advisor" and adopts and modifies the Magistrate's recommendation regarding Mr. Schulz's role as follows:

1. Any advice provides to the Court by Mr. Schulz will not be based on any extra-record information;

2. From time to time, the Court may request Mr. Schulz to provide a formal written report on technical advice concerning the case. A copy of the formal written report prepared by Mr. Schulz shall be provided to the parties. However, the Court reserves the right to have informal verbal communication with Mr. Schulz which are not included in any formal written report;

- 1 2. Mr. Schulz may attend any court proceedings;
- 2 3. Mr. Schulz may review any pleadings, motions or documents submitted to the Court;
- 3 4. As a technical advisor, Mr. Schulz will make no written findings of fact and will not supply any
- 4 evidence to the Court. Thus, Mr. Schulz will be outside the purview of "expert witnesses" under FED. R.
- 5 EVID. 706. As such, the provisions in Rule 706 for depositions and questioning of expert witnesses will be
- 6 inapplicable to Mr. Schulz;
- 7 5. Mr. Schulz will have no contact with any of the parties or their counsel;
- 8 6. The parties would pay the reasonable fees charged by Mr. Schulz for his service as a technical
- 9 advisor to the Court. All matters pertaining to the fees of Mr. Schulz would be referred to Magistrate
- 10 Judge Lloyd;
- 11 7. Mr. Schulz shall file a declaration that he will adhere to the terms of his appointment.

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13 Dated: September 7, 2005

14 /s/ James Ware
15 JAMES WARE
16 United States District Judge
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1 **THIS IS TO CERTIFY THAT COPIES OF THIS ORDER HAVE BEEN DELIVERED TO:**

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20 **Dated: September 7, 2005**

Richard W. Wicking, Clerk

22 By: /s/ JW Chambers
23 **Ronald L. Davis**
24 **Courtroom Deputy**