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**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION**

GILBERT RILEY,  
Petitioner,  
v.  
QUANTUMSCAPE CORP.,  
Respondent.

Case No. 22-cv-03871-BLF

**ORDER GRANTING IN PART  
MOTION FOR ATTORNEYS' FEES  
AND COSTS AND AN AWARD OF  
POST-JUDGMENT INTEREST**

[Re: ECF No. 49]

Before the Court is Respondent QuantumScape Corporation's motion for attorneys' fees and costs and an award of post-judgment interest. *See* Mot., ECF No. 49. QuantumScape seeks from Petitioner Gilbert Riley fees and costs related to QuantumScape's opposition to Riley's petition to vacate an arbitration award and QuantumScape's cross-motion to confirm the same. QuantumScape also seeks post-judgment interest under 28 U.S.C. § 1961. Riley opposes the motion. Opp'n ECF No. 54. QuantumScape has replied. Reply, ECF No. 55.

The Court found this matter suitable for determination without oral argument. *See* Order, ECF No. 56. For the following reasons, the Court GRANTS IN PART QuantumScape's motion.

**I. BACKGROUND**

On February 26, 2021, Gilbert Riley initiated an arbitration against QuantumScape after QuantumScape terminated his employment. Decl. of David Marek Supp. Pet. to Vacate Arbitration Award ("Marek Decl.") Ex. 2, at 1-2 ("Arb. Demand"), ECF No. 2-2. Riley sought to recover shares or the value of shares in QuantumScape of which he was allegedly deprived after his termination. *Id.* at 9.

On June 15, 2022, the Arbitrator issued a Final Award. *See* Marek Decl. Ex. 34 ("Final Award"), ECF No. 2-34. The Arbitrator held that Riley had failed to prove his claims and

1 awarded QuantumScape fees and costs. *Id.* at 15.

2 On June 30, 2022, Riley petitioned this Court to vacate the arbitration award. *See* Pet.,  
3 ECF No. 1. Riley argued multiple bases for vacatur under both the Federal Arbitration Act and  
4 California Arbitration Act. *See* Mem. Supp. Pet. Vacate 11, ECF No. 17. Riley asserted that the  
5 Arbitrator exhibited bias under both an evident-partiality theory and a failure-to-disclose theory.  
6 *See id.* at 14-20. Riley also asserted that the Arbitrator’s award reflected a manifest disregard of  
7 the law in multiple respects. *See id.* at 20-25. QuantumScape cross-moved to confirm the  
8 arbitration award. *See* Cross-Mot., ECF No. 27.

9 After hearing oral argument, this Court issued an order denying Riley’s petition and  
10 granting QuantumScape’s cross-motion. Order, ECF No. 43.

11 QuantumScape now seeks fees and costs under the parties’ Separation Agreement and  
12 Release (“Separation Agreement”) and Consulting Agreement. Mot. 2. The Arbitrator already  
13 awarded QuantumScape fees and costs for its work in the underlying arbitration. QuantumScape’s  
14 request before this Court thus primarily concerns QuantumScape’s attorneys’ work in opposing  
15 Riley’s petition to vacate the arbitration award and cross-moving to confirm the arbitration award.

16 **II. LEGAL STANDARD**

17 California Civil Code § 1717(a), which governs fee applications stemming from contract  
18 actions, provides:

19 In any action on a contract, where the contract specifically provides  
20 that attorney's fees and costs, which are incurred to enforce that  
21 contract, shall be awarded either to one of the parties or to the  
22 prevailing party, then the party who is determined to be  
the party prevailing on the contract, whether he or she is the party  
specified in the contract or not, shall be entitled to reasonable  
attorney’s fees in addition to other costs.

23 Cal. Civ. Code § 1717(a).

24 The Court determines whether a party has prevailed on the contract for the purposes of  
25 awarding fees. Cal. Civ. Code § 1717(b)(1). “As long as the action ‘involve[s]’ a contract it is  
26 ‘on [the] contract’ within the meaning of section 1717.” *Brown Bark III, L.P. v. Haver*, 219 Cal.  
27 App. 4th 809, 821 (2013) (alterations in original).

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1 **III. DISCUSSION**

2 **A. Entitlement to Fees Under the Agreements**

3 QuantumScape seeks fees under the parties’ Separation Agreement and Consulting  
4 Agreement. Mot. 2. The agreements provide as follows:

5 Attorneys’ Fees. Except with regard to a legal action challenging or  
6 seeking a determination in good faith of the validity of the waiver  
7 herein under the ADEA, in the event that either Party brings an action  
8 to enforce or effect this Agreement, the prevailing Party shall be  
9 entitled to recover its costs and expenses, including the costs of  
10 mediation, arbitration, litigation, court fees, and reasonable attorneys’  
11 fees incurred in connection with such action.

12 Separation Agreement § 24.

13 Attorneys’ Fees. In any court action at law or equity that is brought  
14 by one of the Parties to this Agreement to enforce or interpret  
15 provisions of this Agreement, the prevailing Party will be entitled to  
16 reasonable attorneys’ fees, in addition to any other relief to which that  
17 Party may be entitled.

18 Consulting Agreement § H.

19 Riley opposes QuantumScape’s request. Riley argues that the Court should deny  
20 QuantumScape’s motion based on “principles of equity” because: (1) QuantumScape has “unclean  
21 hands” due to what Riley viewed as QuantumScape’s improper conduct in arbitration; (2) the  
22 contract lacked mutuality; and (3) the Separation Agreement is unenforceable under *McLaren*  
23 *Macomb*, 372 N.L.R.B. No. 58 (2023). *Id.* at 3.

24 QuantumScape replies to each of Riley’s arguments. QuantumScape argues that Riley’s  
25 “unclean hands” argument fails because QuantumScape did not engage in misconduct and the fees  
26 QuantumScape seeks arose from properly opposing Riley’s motion to vacate. Reply 1-2.  
27 QuantumScape argues that Riley’s lack-of-mutuality argument has already been rejected by this  
28 Court and fails because Riley conceded that he engaged in extensive negotiations over the terms of  
the agreements. *Id.* at 2. Finally, QuantumScape argues that *McLaren Macomb* is inapplicable  
here for multiple reasons, and even if the Separation Agreement were unenforceable under that  
decision, QuantumScape would be entitled to fees under the Consulting Agreement. *Id.* at 2.

The Court first addresses Riley’s argument that QuantumScape should be denied fees  
under the “unclean hands” doctrine. “The defense of unclean hands arises from the maxim, ‘He  
who comes into Equity must come with clean hands.’” *Mendoza v. Ruesga*, 169 Cal. App. 4th

1 270, 278 (2008) (quoting *Kendall-Jackson Winery, Ltd. v. Superior Ct.*, 76 Cal. App. 4th 970, 978  
2 (1999)). The defense requires “unconscionable, bad faith, or inequitable conduct by the plaintiff  
3 in connection with the matter in controversy.” *Id.* (quoting *Fladeboe v. American Isuzu Motors,*  
4 *Inc.* 150 Cal. App. 4th 42, 56 (2007)). “Whether the defense applies in particular circumstances  
5 depends on the analogous case law, the nature of the misconduct, and the relationship of the  
6 misconduct to the claimed injuries.” *Id.* (quoting *Fladeboe*, 15 Cal. App. 4th at 56).

7 As an initial matter, Riley has not pointed the court to “analogous case law.” None of the  
8 cases Riley cites analyzes a situation in which a party challenged a fee award under the “unclean  
9 hands” doctrine. *See PLCM Grp. v. Drexler*, 22 Cal. 4th 1084, 1088, 1095 (2000) (holding that an  
10 entity that is represented by in-house counsel may recover attorney fees under California Civil  
11 Code § 1717 and affirming a fee award); *Kendall-Jackson*, 76 Cal. App. 4th at 974, 985 (holding  
12 that “unclean hands” may be raised as a defense to a malicious prosecution claim based on  
13 misconduct connected to the subject matter of a litigation that affects the equitable relations  
14 between the litigants); *Mendoza*, 169 Cal. App. 4th 270, 275, 279 (holding that the “unclean  
15 hands” doctrine may not be raised as an affirmative defense to a claim under California’s  
16 Immigration Consultants Act).

17 Riley has also not identified any “unconscionable, bad faith, or inequitable conduct” that  
18 would trigger the “unclean hands” doctrine. As Riley correctly notes, this Court stated in its order  
19 confirming the arbitration award that certain processes followed by QuantumScape’s counsel and  
20 the Arbitrator were “sloppy.” *See Riley v. QuantumScape Corp.*, No. 22-CV-03871-BLF, 2023  
21 WL 1475092, at \*9 (N.D. Cal. Feb. 2, 2023). But Riley does not show how such sloppiness rises  
22 to the level of unconscionable, bad faith, or inequitable conduct that would trigger the “unclean  
23 hands” doctrine. Nor does Riley offer any substantive explanation about why any of the other  
24 conduct he challenged would trigger the doctrine. Accordingly, the Court finds that a fee award is  
25 not barred by the “unclean hands” doctrine here.

26 Riley’s second argument is similarly unavailing. Riley asserts that “the equities should  
27 prohibit [QuantumScape] from getting additional fees based on a ‘take it or leave it’ contract that  
28 lacked mutuality by ensuring that Riley did not receive any material legal benefits from the

1 arrangement while Respondent received substantial monetary and non-monetary benefits.” Opp’n  
2 3. But Riley does not develop his argument beyond this sentence. And it is not the Court’s duty  
3 to formulate Riley’s argument for him. *Cf. Foskaris v. Experian Info. Sols., Inc.*, 808 F. App’x  
4 436, 440 (9th Cir. 2020) (“It is not the court’s duty, however, to peruse the record to formulate the  
5 parties’ arguments.”). Moreover, the Arbitrator already determined that the Separation Agreement  
6 was supported by adequate consideration, and this Court already determined that the arbitrator’s  
7 decision was not contrary to law. *Riley*, 2023 WL 1475092, at \*16. Thus, Riley has not shown  
8 any reason to disregard the fees provisions to which he and QuantumScape agreed when they  
9 formed their agreements.

10 Finally, Riley’s reliance on *McLaren Macomb* to argue that the Separation Agreement is  
11 unenforceable is misplaced. Riley asserts based on *McLaren Macomb* that “a separation  
12 agreement with broad confidentiality and/or non-disparagement provisions is unenforceable as a  
13 matter of law.” *See* Opp’n 3. But Riley does not analyze the terms of any provision in the  
14 Separation Agreement to explain why the provision would fall within the proscription described in  
15 *McLaren Macomb*. This is particularly troubling given the Board’s emphasis in *McLaren*  
16 *Macomb* on the importance of the terms of the agreement. *See* 372 N.L.R.B. No. 58, at \*11 (“Our  
17 main disagreement with the dissent’s adherence to *Baylor* and *IGT* is the refusal in those cases to  
18 analyze the terms of the severance agreements.”); *see also id.* at \*5 (stating that in determining  
19 whether a severance agreement is unlawful “we will examine . . . the language of the agreement”).  
20 Moreover, Riley does not explain why *McLaren Macomb* would render the fees provision here  
21 unenforceable, and if so, why this Court should follow the Board’s non-binding decision. Finally,  
22 Riley does not explain how a finding that the fees provision in the Separation Agreement is  
23 unenforceable would render the fees provision in the separate Consulting Agreement  
24 unenforceable. For all these reasons, the Court finds Riley’s invocation of *McLaren Macomb*  
25 unpersuasive.

26 In sum, the Court finds that QuantumScape has established its entitlement to fees as a  
27 prevailing party under the plain terms of the agreement, and none of the “principles of equity”  
28 Riley invokes requires otherwise.

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**B. Reasonableness of QuantumScape’s Fees Request**

Under California law, courts use the lodestar calculation, which “begins with a touchstone or lodestar, based on the ‘careful compilation of time spent and reasonable hourly compensation of each attorney.’” *Ketchum v. Moses*, 24 Cal. 4th 1122, 1131-32 (2001) (quoting *Serrano v. Priest*, 20 Cal. 3d 25, 48 (1977)); *see also* *PLCM*, 22 Cal. 4th at 1095 (“the fee setting inquiry in California ordinarily begins with the ‘lodestar.’”). “The reasonable hourly rate is that prevailing in the community for similar work.” *PLCM*, 22 Cal. 4th at 1095. “The lodestar figure may then be adjusted, based on consideration of factors specific to the case,” including “the nature of the litigation, its difficulty, the amount involved, the skill required in its handling, the skill employed, the attention given, the success or failure, and other circumstances in the case.” *Id.* at 1095-96.

**1. Hourly Rate**

“Generally, in calculating the lodestar, ‘[t]he reasonable hourly rate is that prevailing in the community for similar work.’” *Rey v. Madera Unified Sch. Dist.*, 203 Cal. App. 4th 1223, 1241 (2012) (quoting *PLCM*, 22 Cal. 4th at 1095). “To inform and assist the court in the exercise of its discretion, the burden is on the fee applicant to produce satisfactory evidence—in addition to the attorney’s own affidavits—that the requested rates are in line with those prevailing in the community for similar services by lawyers of reasonably comparable skill, experience and reputation.” *Camacho v. Bridgeport Fin., Inc.*, 523 F.3d 973, 980 (9th Cir. 2008) (quoting *Blum v. Stenson*, 465 U.S. 886, 895 n.11 (1984)).

QuantumScape was represented by five attorneys from the law firm of Wilson Sonsini Goodrich & Rosati (“Wilson Sonsini”). The attorneys were Marina Tsatalis, Matthew Gorman, Alison Renner, Neil Gulyako, and Heather Diles. Tsatalis Decl. ¶¶ 16, 20.

Ms. Tsatalis has been a partner at Wilson Sonsini for 21 years. Tsatalis Decl. ¶ 5. She graduated *cum laude* from Harvard Law School in 1992. Tsatalis Decl. ¶ 3; *see also* Tsatalis Decl. Ex. 1 (“Tsatalis Bio”), ECF No. 49-2. She has exclusively practiced employment and trade secret litigation throughout her 30 years of practice and is the head of the firm’s employment and trade secret litigation practice. Tsatalis Decl. ¶¶ 4-5. QuantumScape seeks to recover fees for Ms. Tsatalis at a billing rate of \$1,430/hour. *Id.* ¶ 20.

1 Mr. Gorman is Of Counsel in Wilson Sonsini’s Boston office. Tsatalis Decl. ¶ 16.a; *see*  
2 *also* Tsatalis Decl. Ex. 9 (“Gorman Bio.”), ECF No. 49-10. He graduated from New York  
3 University Law School in 2010. Gorman Bio. QuantumScape seeks to recover fees for Mr.  
4 Gorman at a billing rate of \$1,010/hour. Tsatalis Decl. ¶ 16.a.

5 Ms. Renner is an associate in Wilson Sonsini’s New York Office. Tsatalis Decl. ¶ 12.d; *see*  
6 *also* Tsatalis Decl. Ex. 12 (“Renner Bio”), ECF No. 49-13. She graduated from Fordham  
7 University Law School in 2013. Renner Bio. QuantumScape seeks to recover fees for Ms.  
8 Renner at a billing rate of \$1,010/hour. Tsatalis Decl. ¶ 16.d.

9 Mr. Gulyako joined Wilson Sonsini in 2019 and is an associate in the firm’s New York  
10 office. Tsatalis Decl. ¶ 16.b; *see also* Tsatalis Decl. Ex. 10 (“Gulyako Bio”), ECF No. 49-11. It is  
11 unclear from QuantumScape’s filings when Mr. Gulyako graduated from law school.  
12 QuantumScape seeks to recover fees for Mr. Gulyako at a billing rate of \$940/hour. Tsatalis Decl.  
13 ¶ 16.b.

14 Ms. Diles is an associate in Wilson Sonsini’s New York office. Tsatalis Decl. ¶ 16.c; *see*  
15 *also* Tsatalis Decl. Ex. 11 (“Diles Bio”); ECF No. 49-12. She graduated *magna cum laude* from  
16 New York University Law School in 2017. Diles Bio. QuantumScape seeks to recover fees for  
17 Ms. Diles at a billing rate of \$875/hour. Tsatalis Decl. ¶ 16.c.

18 In addition to the attorneys above, QuantumScape was represented by four support staff.  
19 Tsatalis Decl. ¶¶ 16.e., 20. QuantumScape seeks to recover fees for the support staff at rates  
20 ranging from \$250/hour to \$500/hour. *Id.*

21 QuantumScape argues that these rates are reasonable because (1) they reflect the skills and  
22 experience of the particular attorney and the firm’s assessment of market rates for attorneys at  
23 comparable law firms and (2) are consistent with billing rates at “comparable law firms” in the  
24 Bay Area according to a survey by Price Waterhouse. Tsatalis Decl. ¶ 17. Riley responds that  
25 QuantumScape has not demonstrated that its rates are reasonable because QuantumScape relies  
26 solely on the Tsatalis Declaration. Opp’n 7. Riley notes that QuantumScape provides no  
27 affidavits from other attorneys and does not rely on rate determinations in other cases. *Id.* Riley  
28 asks that the Court reduce QuantumScape’s rates by a third. *Id.* at 8.

1           The Court agrees with Riley that QuantumScape has not demonstrated that its requested  
2 rates are comparable to those prevailing in the community. Ms. Tsatalis asserts in her declaration  
3 that the rates “reflect the rates that were billed to and paid by firm clients (including Respondent,  
4 with a 10% discount” and are based on Wilson Sonsini’s “assessment of the market rates for  
5 attorneys and staff at firms of similar size and reputation.” Tsatalis Decl. ¶ 17. But a law firm’s  
6 own billing rates are not the only factor considered, and Ms. Tsatalis provides no information  
7 about what the firm’s assessment of market rates entailed. Nor does she provide examples of any  
8 rates other than those that Wilson Sonsini charged in this case or any comparable awards in the  
9 Northern District of California. Ms. Tsatalis also asserts that the rates are reasonable because they  
10 are “consistent with hourly rates for attorneys with comparable seniority” charged by “comparable  
11 law firms in the San Francisco Bay Area and Silicon Valley” according to Price Waterhouse’s  
12 survey of 2022 billing rates. Tsatalis Decl. ¶ 17. But Ms. Tsatalis provides no details about what  
13 “comparable law firm” means or what these comparable law firms charge. Nor does she attach the  
14 survey to her declaration.

15           Tellingly, the cases QuantumScape cites in its briefing show lower prevailing rates in the  
16 community than the rates QuantumScape requests. *Carter v. Jai-Put Enter. Inc.*, No. 18-CV-  
17 06313-DMR, 2022 WL 4371503, at \*11-13 (N.D. Cal. Sept. 21, 2022) (finding that rates of \$850  
18 for lead counsel who was a 1988 law graduate, \$325 for a 2014 law graduate, \$300 for a 2019 law  
19 graduate, and \$165 for a paralegal were reasonable); *Andrews v. Equinox Holdings, Inc.*, 570 F.  
20 Supp. 3d 803, 807-08 (N.D. Cal. 2021) (finding that rates of \$1,250 for the founding partner of a  
21 nationally recognized civil rights law firm who was a 1962 law graduate, \$875 for a partner who  
22 was a 1997 law graduate, \$600 for a senior counsel who was a 2010 law graduate, \$350 for an  
23 associate who was a 2018 law graduate, and \$240 for a paralegal clerk were reasonable); *Hydros*  
24 *Bottle LLC v. Stephen Gould Corp.*, No. 16-CV-04077-JST, 2017 WL 3453350, at \*8-9 (N.D. Cal.  
25 Aug. 10, 2017) (finding that rates of \$735-\$755 for a Principle with 20 years of litigation  
26 experience and \$630-\$695 for a seventh-year associate were excessive).

27           Riley argues that the Court should determine reasonable hourly rates by reference to the  
28 “Laffey matrix” or by making a 1/3 cut in all rates. Opp’n 7-8. The Court finds neither proposal



1 viable. The *Laffey* matrix is “an inflation-adjusted grid of hourly rates for lawyers of varying  
2 levels of experience in Washington, D.C.” See *Prison Legal News v. Schwarzenegger*, 608 F.3d  
3 446, 454 (9th Cir. 2010) (citations omitted). The Ninth Circuit has explained that “just because  
4 the *Laffey* matrix has been accepted in the District of Columbia does not mean that it is a sound  
5 basis for determining rates elsewhere, let alone in a legal market 3,000 miles away.” *Id.*  
6 Accordingly, this Court declines to use the matrix. The Court likewise declines Riley’s proposal  
7 to make a blanket 1/3 cut, as Riley has not made any attempt to show that the resulting rates reflect  
8 the prevailing rates in the District.

9 The Court finds the rates in *Andrews*, a case cited by QuantumScape, informative. The  
10 *Andrews* court determined that the requested 2021 rates were reasonable based on the opinion of  
11 an expert with “extensive experience in the area of attorney billing rates in this district” who “has  
12 been widely relied upon by both federal and state courts in Northern California . . . in determining  
13 reasonable billing rates.” 570 F. Supp. 3d at 807. The Court finds the analysis in *Andrews*  
14 persuasive and representative of rates awarded in comparable cases in the Northern District of  
15 California. See *Simon v. Maple Beach Ventures LLC*, No. 21-CV-01005-PJH, 2021 WL 1907821,  
16 at \*4 (N.D. Cal. May 12, 2021) (“Courts also may rely on decisions by other courts awarding  
17 similar rates for work in the same geographical area by attorneys with comparable levels of  
18 experience.” (citing *Nadarajah v. Holder*, 569 F.3d 906, 917 (9th Cir. 2009))). The Court  
19 recognizes that the Arbitrator approved the rates requested by QuantumScape’s counsel, but notes  
20 that the order only summarily accepts the proffered rates as reasonable and does not discuss  
21 comparable rates in the District. This Court is not bound by the Arbitrator’s decision on  
22 reasonable rates. The Court applies the following rates based on comparators from *Andrews*:

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Attorney	Requested Rate	<i>Andrews</i> Comparator: Rate	Applied Rate
Marina Tsatalis Partner Class of 1992	\$1,430	Partner Class of 1997: \$875	\$1050 (increased from <i>Andrews</i> comparator rate in recognition of position as head of firm’s employment and trade secret litigation practice)
Matthew Gorman Of Counsel Class of 2010	\$1,010	Senior Counsel Class of 2010: \$600	\$600
Alison Renner Associate Class of 2013	\$1,010	Senior Counsel Class of 2010: \$600	\$600
Neil Gulyako Associate Unknown Class Joined Firm in 2019	\$940	Associate Class of 2018: \$350	\$350
Heather Diles Associate Class of 2017	\$875	Associate Class of 2018: \$350	\$350
Support Staff	\$250-\$500	Paralegal Law Clerk: \$350	\$240

**2. Number of Hours**

An attorney fee award should include compensation for all hours reasonably spent. *Ketchum*, 24 Cal. 4th at 1133. “Reasonably spent means padding in the form of inefficient or duplicative efforts is not subject to compensation.” *Rey v. Madera Unified Sch. Dist.*, 203 Cal. App. 4th 1223, 1243 (2012) (quoting *Ketchum*, 24 Cal. 4th at 1132) (internal quotations omitted). The proponent of the fee request “must prove the hours sought were reasonable and necessary.” *Id.* (citing *El Escorial Owners’ Assn. v. DLC Plastering, Inc.* 154 Cal. App. 4th 1337, 1366 (2007)).

Before turning to the parties’ substantive arguments, the Court notes that Riley correctly identifies that the Fees Chart submitted with QuantumScape’s motion includes a greater number of hours than QuantumScape’s bills reflect. *Compare* Tsatalis Decl. ¶ 20.3, ECF No. 49-1, *with* Tsatalis Decl. Exs. 2-8, ECF Nos. 49-3 – 49-9. QuantumScape explains in its Reply that it

1 incorrectly summed its hours when drafting the Fees Table. Reply 2-3. QuantumScape submits a  
2 corrected Fees Table with its Reply that reflects 159.4 total attorney hours—matching the number  
3 of hours in its invoices as calculated by Riley and confirmed by the Court. *See* Tsatalis Suppl.  
4 Decl. ¶ 5, ECF No. 55-1.

5 QuantumScape contends that the hours its counsel spent since the Final Award in the  
6 underlying arbitration were necessary to oppose Riley’s Petition to Vacate. Mot. 4-5.  
7 QuantumScape states that it primarily staffed the matter with one partner and one associate and  
8 relied on other associates and paralegals only as necessary to handle discrete legal issues. *Id.* at 5.  
9 QuantumScape also notes that its fees request accounts for a 10% discount provided by Wilson  
10 Sonsini. *Id.* at 6.

11 Riley responds that the number of hours requested is excessive and duplicative given “the  
12 small arbitration record” and “the issues presented in the motion to vacate”—many of which  
13 “were also raised before the Arbitrator.” Opp’n 5. Riley asks the Court to award only 50% of the  
14 hours QuantumScape requests for its work drafting its Cross-Motion and Opposition and  
15 preparing for oral argument. *Id.* at 6. Riley also asks the Court to deny QuantumScape’s request  
16 for reimbursement of fees accrued during the arbitration, after oral argument before this Court, and  
17 preparing for a case management conference that did not happen. *Id.* at 6-8.

18 QuantumScape replies that the hours it spent were necessary and reasonable.  
19 QuantumScape argues that the time it spent briefing and preparing for oral argument was  
20 necessary and reasonable given the number of issues Riley raised in his Petition. Reply 3.  
21 QuantumScape argues that the Court should order Riley to pay QuantumScape’s fees for the  
22 underlying arbitration because the relevant invoice was issued after the Arbitrator issued the Final  
23 Award. *Id.* at 5. Finally, QuantumScape argues that the Court should order Riley to pay its fees to  
24 prepare for the case management conference because QuantumScape assumed it had to prepare for  
25 the conference until the Court took it off calendar. *Id.*

26 The Court addresses the fees QuantumScape requests in order of accrual.

27 The Court finds that QuantumScape should be reimbursed for its fees in the underlying  
28 arbitration. Riley argues—citing no authority—that this Court “does not have authority” to award

1 such fees. Opp’n 9. But Riley does not address why such fees would fall outside of the fees  
2 provisions of the Separation Agreement and Consulting Agreement. Nor does Riley address why  
3 such fees should be denied despite California Civil Code § 1717, which entitles a party to  
4 reasonable attorney’s fees in any action on a contract, where the contract specifically provides for  
5 attorneys’ fees and costs. Accordingly, the Court finds that QuantumScape is entitled to these  
6 fees.

7 The Court next finds that the hours QuantumScape spent briefing its Cross-Motion and  
8 Opposition are generally reasonable. Riley primarily argues that QuantumScape’s attorneys  
9 should have been able to perform their tasks in less time. *See* Opp’n 6. He asks that the Court  
10 impose “at least a 50% reduction in billable time” for these tasks. But Riley raised many issues in  
11 his Petition and fiercely sought to vacatur of the arbitration award. “A defendant cannot litigate  
12 tenaciously and then be heard to complain about the time necessarily spent by the plaintiff in  
13 response.” *Peak-Las Positas Partners v. Bollag*, 172 Cal. App. 4th 101, 114 (2009) (internal  
14 quotation marks omitted). And like other courts in this District, this Court is reluctant to second-  
15 guess the staffing decisions of the prevailing party’s counsel, given that the approach taken by  
16 counsel was successful. *See, e.g., Cruz v. Starbucks Corp.*, No. C-10-01868 JCS, 2013 WL  
17 2447862, at \*8 (N.D. Cal. June 5, 2013). The Court therefore declines Riley’s invitation to  
18 impose a blanket 50% cut to QuantumScape’s requested hours.

19 But the Court agrees with Riley that certain of the hours requested for Ms. Tsatalis are  
20 unreasonable. Ms. Tsatalis seeks 38.7 hours for work related to the “Petition to Vacate Arbitration  
21 Award/Cross-Petition to Confirm Arbitration Award,” Tsatalis Supp. Decl. ¶ 5, including about  
22 14.3 hours of preparation time for oral argument,<sup>1</sup> *see* Tsatalis Decl. Exs. 6-7. This is on top of  
23 74.9 hours contributed by Mr. Gorman, an Of Counsel in the firm’s employment litigation practice  
24 who has been practicing law for over a decade. *See* Tsatalis Supp. Decl. ¶ 5; Gorman Bio. The  
25 Court finds the request for Ms. Tsatalis’s time to be excessive for an attorney of her vast skill and  
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27 <sup>1</sup> Ms. Tsatalis’s final entry regarding hearing preparations lists 5.6 hours for “prepare for and  
28 represent client at hearing on Petition to Vacate and Confirm Arbitration Award; telephone calls re  
same.” Tsatalis Decl. Ex. 7. The hearing was about 1.2 hours long. *See* Minute Entry, ECF No.  
36. The Court therefore attributes 4.4 hours of this entry to hearing preparations.

1 experience. The Court finds 25 total hours for Ms. Tsatalis’s work related to the Petition to  
2 Vacate Arbitration Award and Cross-Petition to Confirm Arbitration Award to reflect a reasonable  
3 number of hours.

4 The Court next addresses QuantumScape’s request for time billed shortly after oral  
5 argument. The Court agrees with Riley that QuantumScape has not shown that the hours spent on  
6 these tasks were “reasonable and necessary.” *Rey*, 203 Cal. App. 4th at 1244. Riley identifies that  
7 Ms. Renner, an attorney who did not work on the Opposition to the Petition or Cross-Motion to  
8 Confirm, billed 8.9 hours for work done in the two days immediately after oral argument. *See*  
9 *Opp’n* 6. Riley also identifies that Ms. Tsatalis billed 1.6 hours of work shortly after the hearing.  
10 *See id.* QuantumScape does not address in its Reply why these hours were reasonable and  
11 necessary. Accordingly, the Court finds that QuantumScape has not met its burden to show that it  
12 is entitled to recover fees for these hours.

13 Finally, the Court addresses QuantumScape’s request for fees to prepare for the case  
14 management conference that the Court vacated. QuantumScape requests 3.5 hours for Ms.  
15 Tsatalis and 0.9 hours for Mr. Geritano for time spent preparing for the case management  
16 conference. *See* Tsatalis Decl. ¶ 20.e; Tsatalis Supp. Decl. ¶ 7. The Court finds that these hours  
17 were not reasonable and necessary given that the Court issued judgment before the parties ever  
18 submitted a case management statement.

19 \* \* \*

20 With the reductions discussed above, the Court finds that QuantumScape is entitled to  
21 recover fees in the total of \$92,101 in accordance with the following hours and rates:

22 **Attorney Hours:**

	Marina Tsatalis	Matthew Gorman	Alison Renner	Neil Gulyako	Heather Diles
Rate	\$1050	\$600	\$600	\$350	\$350
Arbitration (Hours)	2.7	1.1	0	0	1
Petition to Vacate/Cross-Motion to Confirm (Hours)	25	74.9	0	6.4	22.2

Case Management Conference (Hours)	0	0	0	0	0
<b>Total Hours</b>	27.7	76	0	6.4	23.2
<b>Total Fees</b>	\$29,085	\$45,600	\$0	\$2,240	\$8,120

**Support Staff Hours:**

	Anthony Geritano	Candida Malferrari	Lee Ann Almeida	Tracy Fritz
Rate	\$240	\$240	\$240	\$240
Arbitration (Hours)	0	0	0	0
Petition to Vacate/Cross-Motion to Confirm (Hours)	4.7	19.3	3.4	2
Case Management Conference (Hours)	0	0	0	0
<b>Total Hours</b>	4.7	19.3	3.4	2
<b>Total Fees</b>	\$1,128	\$4,632	\$816	\$480

**C. Costs**

QuantumScape requests \$2,309.95 in costs for legal research database fees and certain shipping, copying and printing, filing, and court reporter fees. QuantumScape contends that “[its] right to reimbursement of costs is vested by contract . . . and also reflected in Rule 54(d) of the Federal Rules of Civil Procedure.” Mot. 7. Riley does not dispute that costs are permitted under the parties’ agreements. Riley argues, however, that QuantumScape is not entitled to costs here because (1) QuantumScape waived its right to costs by failing to file a separate bill of costs as required by Civil Local Rule 54-1 and (2) the costs QuantumScape seeks are nontaxable. Opp’n 9. QuantumScape agrees that it seeks only nontaxable costs. Reply 5. QuantumScape argues that because its costs are nontaxable, it did not need to submit a bill of costs. *Id.*

Under Civil Local Rule 54-1 “a prevailing party claiming taxable costs must serve and file a bill of costs” within 14 days of entry of judgment. Civil L.R. 54-1(a). The Rule states that

1 “[a]ny party who fails to file a bill of costs within the time period provided by this rule will be  
2 deemed to have waived costs.” Civil L.R. 54-1(c). Here, QuantumScape does not seek any  
3 taxable costs, and therefore had nothing to put on a bill of costs submitted under Rule 54-1(a).  
4 The issue is thus whether QuantumScape’s failure to submit a blank bill of costs under Rule 54-  
5 1(a) bars QuantumScape from seeking nontaxable costs that the parties do not dispute are  
6 permitted under their contracts.

7 The Court finds that QuantumScape did not waive its right to seek nontaxable costs by  
8 failing to file a bill of costs. Rule 54-1(c) broadly states that any party who fails to file a bill of  
9 costs waives costs. Civil L.R. 54-1(c). But read together with Rule 54-1(a), which requires a bill  
10 of costs for *taxable* costs, it is clear that Rule 54-1(c) applies to parties who seek taxable costs that  
11 should have been listed on a bill of costs. The Court thus concludes that Rule 54-1(c) does not  
12 result in waiver here because QuantumScape seeks only nontaxable costs. Accordingly, the Court  
13 finds that QuantumScape is entitled the costs it requests.

14 **D. Post-Judgment Interest**

15 QuantumScape requests post-judgment interest under 28 U.S.C. § 1961 on any attorney’s  
16 fees and costs through the actual payment date. Mot. 1. Riley does not oppose this request.  
17 QuantumScape’s request for post-judgment interest is therefore granted.

18 **E. Deferral of Enforcement**

19 In his opposition, Riley asks the Court to stay under Federal Rule of Civil Procedure 62(h)  
20 “enforcement of the February 13, 2023 Order until at least 30 days after the date on which the  
21 Court enters its order on QuantumScape’s request for attorneys’ fees and costs.” Opp’n 10. Riley  
22 seeks this relief because it “will give Riley an opportunity to know the total amount of the order  
23 before enforcement proceedings begin.” *Id.* QuantumScape opposes the request, arguing that  
24 “there is no reason the [Riley] cannot begin satisfying the Judgment before knowing the final  
25 amount of additional fees and costs owed.” Reply 5.

26 “Federal Rule of Civil Procedure 62(h) provides that when a court has entered final  
27 judgment, it may upon its discretion, ‘stay enforcement of that judgment until the entering of a  
28 subsequent judgment or judgments.’” *AmerisourceBergen Corp. v. Dialysist W., Inc.*, 465 F.3d

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946, 955 (9th Cir. 2006) (quoting Fed. R. Civ. P. 62(h)). The Court denies Riley’s request for a stay here.

**IV. ORDER**

For the foregoing reasons, IT IS HEREBY ORDERED that QuantumScape’s motion is GRANTED IN PART as follows:

1. QuantumScape is AWARDED \$92,101 in attorneys’ fees.
2. QuantumScape is AWARDED \$2,309.95 in costs.
3. QuantumScape is AWARDED post-judgment interest on the attorney’s fees and costs through the date of payment.

Dated: August 15, 2023

  
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BETH LABSON FREEMAN  
United States District Judge