IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

ERICH SPECHT, an individual and doing business as ANDROID DATA CORPORATION, and THE ANDROID'S DUNGEON INCORPORATED,	)	
Plaintiffs/Counter-Defendants,	)	
v.	)	Civil Action No. 09-cv-2572
GOOGLE INC.,	)	Judge Harry D. Leinenweber
Defendant/Counter-Plaintiff.	)	

PLAINTIFFS' MOTION TO STRIKE GOOGLE'S MOTION FOR ATTORNEY FEES [ECF 314]

Plaintiffs Erich Specht, an individual and doing business as Android Data Corporation and The Android's Dungeon Incorporated (collectively, "Plaintiffs"), by and through their attorney, respectfully move this Court to strike Google's Motion for Attorney Fees [ECF 314]. In support hereof, Plaintiffs state as follows:

I. A POST JUDGMENT MOTION FOR ATTORNEYS' FEES IN A TRADEMARK CASE IS A MOTION TO ALTER OR AMEND THE JUDGMENT GOVERNED BY RULE 59(e) OF THE FEDERAL RULES OF CIVIL PROCEDURE

1. In an attempt to muddy the waters and cause confusion, Google has filed a motion seeking attorney fees under the Lanham Act, 15 U.S.C. § 1117(a), with a motion for sanctions under 28 U.S.C. § 1927. [ECF 314]. This motion is only addressing that portion of Google's motion for attorney fees under the Lanham Act. The motion for sanctions under 28 U.S.C. § 1927 is a separate matter and will be addressed in a separate filing.

2. Google has also filed a motion for leave to file an oversize brief. [ECF 315]. Improperly buried in Google's motion for leave to file an oversize brief is the contention that its

motion for attorney fees under 15 U.S.C. § 1117(a) is governed by Rule 54(d). [ECF 315 at ¶ 7]. Google is wrong. It is not.

3. In *Hairline Creations, Inc. v. Kefalas,* the sole issue decided by the Seventh Circuit was whether a post judgment motion for attorneys' fees in a trademark case [under 15 U.S.C. 1117(a)] is a motion to alter or amend the judgment governed by Rule 59(e) of the Federal Rules of Civil Procedure, or is a motion for costs governed by Rule 54(d). *Hairline Creations, Inc. v. Kefalas*, 664 F.2d 652, 654 (7th Cir. 1982). The Court held that post judgment motion for attorney fees under [15 U.S.C.] § 1117(a) is governed by FRCP Rule 59(e) and not Rule 54(d). *Id.*

4. Rule 54 provides that a claim for attorney's fees and related nontaxable expenses must be made by motion unless the substantive law requires those fees to be proved at trial as an element of damages. FRCP Rule 54(d) (2). Under the Lanham Act, Attorneys' fees are only awarded when the Court makes a finding that the case is exceptional. Thus, the substantive law requires those fees to be proved at trial.

5. A statutory and functional analysis of the attorneys' fees provision of [15 U.S.C.] § 1117 indicates that these fees are tied to the judgment and are governed by Rule 59(e). *Keflas* at 660.

6. "[A] proceeding for an award of attorneys' fees is not a suit; it is a tail dangling from a suit. We don't want the tail to wag the dog." *Nightingale Home Healthcare v. Anodyne,* 626 F.3d 958, 965 (7th Cir. 2010).

7. Accordingly, what Google is really asking the Court to do is amend its judgment pursuant to Rule 59(e). There is no reason to amend the judgment to accommodate Google for something it knew before judgment became final.

8. Google knew that it was going to be asking for attorney fees well before it dismissed its counterclaims and cleared the way for the Court to render its judgment final.

9. On February 24, 2011, Google's attorney, Mr. Finn, stated that:

> **MR FINN:** Your Honor, just so this Court is aware, ***we plan*** on filing a motion for attorneys' fees at least under the extraordinary case findings of the Lanham Act. I don't believe that affects the appeal date or the stay but just wanted this Court to be aware." (Feb. 24, 2011 Transcript at p. 6). [Exhibit 1]. (emphasis added).

10. Rule 59(e) allows a court to alter or amend a judgment only if the petitioner can demonstrate a manifest error of law or present newly discovered evidence. *Obriecht v. Raemisch*, 517 F.3d 489, 494 (7th Cir. 2008) citing *Sigsworth v. City of Aurora*, 487 F.3d 506, 511-12 (7th Cir. 2007).

11. Google cannot claim a manifest error of law when the Court did everything it asked. Nor can it claim newly discovered evidence when it stated its intention to file for attorney fees and then failed to do so before judgment became final.

12. The Court granted Google the judgment Google wanted on February 24, 2011. The judgment Google wanted did not include costs or fees. It was Google's attorneys that erred, not the Court and not Plaintiffs.

13. Then, in an attempt to further prejudice Plaintiffs counsel, Google did not file its motion for fees until March 22, 2011, 26 days after the Court said judgment was final and after Plaintiffs' had already filed a Notice of Appeal.

14. Accordingly, Google's motion to amend the final judgment pursuant to Rule 59(e) to add attorney fees under 15 U.S.C. § 1117(a) should be stricken or denied. Also, because the judgment entered did not include costs or fees, any motion to add them would have to be pursuant to Rule 59(e) as well.

15. Google should have presented a motion to allow fees and costs to this Court before it rendered judgment final. *Obriecht v. Raemisch,* 517 F.3d 489, 494 (7th Cir. 2008).

II. EVEN IF THE COURT WERE TO HOLD THAT A MOTION FOR ATTORNEY FEES UNDER THE LANHAM ACT WERE GOVERNED BY RULE 54(d), GOOGLE'S MOTION IS UNTIMELY AS SET FORTH BY THE COURT IN ITS FEBRUARY 24, 2011, RULING ON PLAINTIFFS' MOTION FOR RECONSIDERATION AND, THEREFORE MUST BE STRICKEN AS UNTIMELY

16. On January 31, 2011, Plaintiffs filed a Rule 54(b) motion for reconsideration of the Court's Judgment Summary Judgment Order. [ECF 302]. On February 3, 2011, the Court offered Google an opportunity to respond to Plaintiffs' motion which they declined. By declining to respond to Plaintiffs' motion and allowing the Court to respond for it, Google has adopted the Court's position and waived any objection it may have to the Court's February 24, 2011 ruling, including any argument that it may now have that final judgment was not "entered" until March 11, 2011. Google cannot sit silently and allow the Court to advance arguments that it disagrees with. If Google allows the Court to make Google's arguments, then Google must live with the consequences.

17. On February 24, 2011, the Court held that Plaintiffs' motion for reconsideration was untimely under FRCP Rule 59(e). More specifically, the Court stated:

> **THE COURT:** All right … The Court granted defendant Google's motion for summary judgment on all five counts of plaintiffs' trademark infringement action, as well as on two counts of Google's counterclaim. Plaintiffs have filed a motion for reconsideration for all counts of this decision … As an initial matter, plaintiffs did not file their motion within the required 28-day time frame following the Court's December 17, 2010, judgment. See Federal Rule of Civil Procedure 59(e)…

18. FRCP Rule 54(d)(2)(A) provides that: a claim for attorney's fees and related nontaxable expenses must be made by motion unless the substantive law requires those fees to be

proved at trial as an element of damages. Notwithstanding, Plaintiffs' argument that substantive law requires the fees to be proved at trial, Google's motion is untimely.

19. FRCP Rule 54(d)(2)(B) states that: unless a statute or a court order provides otherwise, the motion must (i) be filed no later than 14 days after the entry of judgment.

20. Under the Court's February 24, 2011 holding, Google is well beyond the 14 days permitted under Rule 54 and its motion is, therefore, untimely and must be stricken.

III. GOOGLE'S MOTION IS ALSO UNTIMELY UNDER FRCP RULE 54, BECAUSE ITS MOTION FOR FEES WAS NOT FILED UNTIL 26 DAYS AFTER JUDGMENT WAS RENDERED FINAL

21. FRCP Rule 54(d) provides that unless a statute or a court order provides otherwise, the motion (for attorney fees) must: (i) be filed no later than 14 days after the entry of judgment; (ii) specify the judgment and the statute, rule, or other grounds entitling the movant to the award; and (iii) state the amount sought or provide a fair estimate of it…

22. Google's Rule 54(d) motion is defective in that it was not filed timely in accord with the Court's Order of February 24, 2011.

23. Also, because the motion is based upon two completely different statutes, it does not state the amount sought or provide a fair estimate of what is sought, against which party, and under which statute.

24. On February 24, 2011, Google's attorney stated that:

> **MR FINN:** Your Honor, just so this Court is aware, we plan on filing a motion for attorneys' fees at least under the extraordinary case findings of the Lanham Act. I don't believe that affects the appeal date or the stay but just wanted this Court to be aware." (Feb. 24, 2011 Transcript at p. 6). [Exhibit 1].

25. The Court, responding to the notice by Google's attorney's, stated:

> **THE COURT:** I don't think that does either. It's my understanding that's -- as of today then, the judgment is final for the purposes of the appeal. Id.

26. As further evidence of the Court's intention that the judgment be final as of February 24, 2011, the "Filed" date on the judgment is also February 24, 2011 as is the date immediately to the left of this Court Clerk's signature. [Exhibit 2].

27. The "Entered" date on the Docket sheet, however, is March 11, 2011.

28. The question then is which date is controlling: The date set by the Court, the Filed date set on the Order and judgment, and the signed date to the left of the clerk's signature or the date printed on the Docket Sheet?

29. Google now argues that it is the date printed on the Docket Sheet and not the date set out numerous times by the Court's statements in open court, in the Order, in the Judgment, and next to the Clerk's signature which is controlling.

30. Google's argument ignores the Court's Order that the judgment was final for the purposes of the appeal as of "today" (February 24, 2011). That Order was directed at Google in anticipation of Google filing their Rule 54(d) attorney fee motion.

31. In this circuit, however, the technical requirements of Rules 54 and 58 need not be met for an Order to be final and appealable. American National Bank and Trust Co. of Chicago v. Secretary of Housing and Urban Development, 946 F.2d 1286, 1290 n. 6, (7th Cir. 1991) , American Family Mut. Ins Co. v. Jones, 739 F.2d 1259, 1261-62 n.1, (7th Cir. 1984).

32. In American National Bank, the clerk neglected to complete an AO 450 Form ("Judgment in a Civil Case") and the district court did not specifically rule on the rights of intervenors in the case. The Seventh Circuit still held that "it is evident the district court intended the June 10, 1987 order to dispose of the proceedings with respect to the intervenors…" American National Bank, at 1290. Thus, the order of the district court was final even though the requirements of Rule 58 and 79(b) were not complied with and even though the Court did not

make specific rulings. It was the intent of the district court and not compliance with the Rules that the Seventh Circuit ultimately relied upon in calculating the due date for a notice of appeal.

33. Accordingly, it is the Court's intention that is the determining factor in calculating the deadline for filing Rule 54 motions and not the clerk's strict adherence to the Rules. Id.

34. Plaintiffs understood that the Court made its intention crystal clear: The clock starting ticking on February 24, 2011 and not on March 11, 2011 as now alleged by Google.

35. Plaintiff filed his Notice of Appeal on March 22, 2011 relying on the Court's order of February 24, 2011. Google then filed its motion for attorney fees.

36. FRCP Rule 58 (e) provides that: "Ordinarily, the entry of judgment may not be delayed, nor the time for appeal extended, in order to tax costs or award fees. But if a timely motion for attorney's fees is made under Rule 54(d)(2), the court may act before a notice of appeal has been filed and become effective to order that the motion have the same effect under Federal Rule of Appellate Procedure 4(a)(4) as a timely motion under Rule 59."

37. Had Google complied with the Court's Order and filed their motion by March 11, 2011, Plaintiff would have had fifteen days in which to move the Court for an order extending the time to file a notice of appeal.

38. Instead, Plaintiffs now have to prepare their brief and deal with Google's untimely and frivolous motions.

39. Google's actions were deliberate.

40. At 5:26 p.m. on Sunday, March 20, 2011, Google's attorney, Mr. Finn, sent an email to Plaintiff's attorney, Mr. Murphy, reiterating Google's intent to file an attorney fee motion and requesting that Plaintiff's agree to allow Google to file an oversize brief and a briefing schedule. [Exhibit 3].

41. At 12:35 p.m. on Monday, March 21, 2011, Plaintiffs' attorney, Mr. Murphy, responded to Google's request and informed Mr. Finn that he believed that the time for filing had already passed. Id.

42. Mr. Finn did not reply to Mr. Murphy's email. So at 12:12 p.m. on Tuesday, March 22, 2011, Plaintiffs filed their notice of appeal. [ECF 312].

43. At 4:37 on March 22, 2011, Google filed its motion for attorney fees. [ECF 314].

44. So, why did Google sit on the motion until after Plaintiff filed its Notice of Appeal? The answer is clear, to prejudice Plaintiffs' attorney and bury him in paperwork so that he can't concentrate on the appellate brief.

45. Google's deliberate defiance cannot be tolerated.

46. WHEREFORE, for the reasons set forth above, Plaintiffs move this Honorable Court for an order striking or denying Google's motion for attorney fees under Rule 59(e) or Rule 54 and granting Plaintiffs such other and further relief as is appropriate under the circumstances including its fees in defending against Google's motion. If for any reason this Court denies Plaintiffs' motion to strike, then Plaintiffs request an opportunity to address the substantive issues raised by the motion for attorney fees, i.e. whether this is truly an "exceptional case," under the test set forth in *Nightingale Home Healthcare v. Anodyne,* 626 F.3d 958, 963 (7th Cir. 2010).

Respectfully submitted,

ERICH SPECHT, an individual and doing business as ANDROID DATA CORPORATION, and THE ANDROID'S DUNGEON INCORPORATED

By: /s/Martin J. Murphy

Martin J Murphy
2811 RFD
Long Grove, IL 60047
(312) 933-3200
mjm@law-murphy.com

CERTIFICATE OF SERVICE

Martin J. Murphy, an attorney, certifies that he caused copies of the foregoing to be served by electronically filing the document with the Clerk of Court using the ECF system this _26th__ day of April, 2011.

/s/ Martin J. Murphy

EXHIBIT 1

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

ERICH SPECHT, et.al.,	)	Docket No. 09 C 2572
	)	
Plaintiffs,	)	Chicago, Illinois
	)	February 24, 2011
v.	)	9:30 o'clock a.m.
	)	
GOOGLE, INC.,	)	
	)	
Defendants.	)	

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE HARRY D. LEINENWEBER

APPEARANCES:

For Plaintiff: The Android's Dungeon	MR. MARTIN J. MURPHY 2811 RFD Long Grove, IL 60047
For Defendant Google:	GREENBERG TRAURIG LLP by MR. HERBERT H. FINN 77 West Wacker Drive Chicago, IL 60601
Court Reporter:	GAYLE A. MCGUIGAN, CSR, RMR, CRR Official Court Reporter 219 South Dearborn Street Room 1022 Chicago, Illinois 60604 (312) 435-6047

(Proceedings had in open court:)

THE CLERK: 09 C 2572, Specht versus Google.

MR. MURPHY: Good morning, your Honor. Martin Murphy on behalf of plaintiffs.

MR. FINN: Good morning, your Honor. Herbert Finn on behalf of defendant Google.

THE COURT: All right. The motion for reconsideration ruling.

The Court granted defendant Google's motion for summary judgment on all five counts of plaintiffs' trademark infringement action, as well as on two counts of Google's counterclaim. Plaintiffs have filed a motion for reconsideration for all counts of this decision.

Motions for reconsideration serve a limited function: to correct manifest errors of law or fact or to present newly discovered evidence. See *Caisse Nationale*, 90 F.3d at 1269. As an initial matter, plaintiffs did not file their motion within the required 28-day time frame following the Court's December 17, 2010, judgment. See Federal Rule of Civil Procedure 59(e). The Court, therefore, treats plaintiffs' motion as one brought under 60(b).

Plaintiffs first argue that the Court does not have jurisdiction to order the cancellation of the ANDROID DATA mark. The Lanham Act, however, gives federal courts concurrent power with the USPTO to cancel a mark in a case in which the mark's

validity is an issue. See 15 U.S.C. Section 1119. Also, a party can petition a district court to cancel a trademark because of abandonment under 15 U.S.C. 1064(3). See *InterState Net Bank*, 348 F. Supp. 2d at 352. Accordingly, plaintiffs' motion to reconsider Count 1 is denied -- of the counterclaim is denied.

Next, plaintiffs argue that Google misled the Court regarding its use of screen shots from the website androiddata.com, pulled from the Internet Archive's Wayback Machine. Plaintiffs produced these screen shots to oppose Google's motion for summary judgment, and the Court granted Google's motion to exclude them as they were not properly authenticated by an employee of the Internet Archive. To support their argument, plaintiffs have submitted reports that Google commissioned a third party to do, which investigate use of the ANDROID DATA mark. However, the introduction of these exhibits, which Google produced in discovery and plaintiffs possessed during the summary judgment proceedings, is improper on a motion for reconsideration, as it is not newly discovered evidence. See *Caisse National*, 90 F.3d at 1269. The Court will not consider them in ruling on this motion.

Plaintiffs do not allege that Google ever used the Internet Archive screen shots outside of the present litigation in a manner to determine exactly how the androiddata.com website appeared in March 2005. Rather, Google used them to determine

possible use of the ANDROID DATA mark by plaintiffs. Federal Rule of Evidence 901 requires authentication of the shots as a predicate to their admissibility as an exhibit demonstrating the actual appearance of the website. Also, it is irrelevant, as plaintiffs allege, if Google admitted to the USPTO that the androiddata.com site was a use in commerce of the ANDROID DATA mark, as use in commerce is a question of law defined in the Lanham Act. The Court, not Google, determines if a use is a bona fide use in commerce. Accordingly, the Court denies the motion to reconsider the admissibility of the Internet Archive screen shots.

Nevertheless, the screen shots do not show that androiddata.com as it existed from the end of 2002 through March 2005 amounted to any more than, quote, mere advertising, end quote, that is not a bona fide use in commerce. See *In re Genitope,* 78 U.S. Patent Quarterly 2d at 1822. As the Court discussed in its summary judgment opinion, the shots do not show that the website provided a mechanism to order plaintiffs' software, any price information about the software, information about how a visitor to the website could license the software, or detailed information and pricing on plaintiffs' services. In short, they would not alter the Court's abandonment holding.

Finally, plaintiffs argue that a genuine issue of material fact exists as to when Google first used its ANDROID mark in commerce. Plaintiffs confuse the sale of smart phones

with the Android operating system with the actual introduction of the Android operating system. The evidence shows that Google used the ANDROID mark in commerce in November 2007 when it introduced the operating system and provided it to third-party developers. At this point, the ANDROID mark was being used in an ordinary course of trade. Plaintiffs' argument that Google allegedly denied using the mark in commerce in November 2007, which, again, was presented in exhibits that the Court will not consider as they were improperly produced at this stage of the litigation, does not affect this decision because use in commerce is a question of law decided by the Court.

Therefore, the motion for reconsideration is denied as to all counts.

Now, the -- as I understand it, remaining are Counts 2, 4, 5, 6, and 7 on the counterclaim; is that correct?

MR. FINN: I believe that's correct, Your Honor.

THE COURT: Mr. Finn, it was my understanding you were planning to --

MR. FINN: Well, your Honor, we had a proposal. We understand plaintiffs want to appeal this Court's ruling on summary judgment. And in view of the fact we had concerns as to whether they can pay the costs that we'd be entitled to under that ruling, we'd be willing to withdraw or dismiss those counts without prejudice with leave to reinstate should the appeal overturn this Court's ruling and it get sent back.

THE COURT: Is there objection to that?

MR. MURPHY: No, your Honor.

THE COURT: The motion -- motion of the defendant/counterclaimant, Counts 2, 4, 5, 6, and 7 of the counterclaim are dismissed without prejudice to be reinstated in the event that the cause is reversed on appeal.

MR. FINN: Your Honor, just so this Court is aware, we plan on filing a motion for attorneys' fees at least under the extraordinary case findings of the Lanham Act.

I don't believe that affects the appeal date or the stay but just wanted this Court to be aware.

THE COURT: I don't think that does either. It's my understanding that's -- so that as of today then, the judgment is final for purposes of the appeal.

Thank you.

MR. MURPHY: Thank you, your Honor.

MR. FINN: Thank you, your Honor.

(Proceedings Concluded.)

C E R T I F I C A T E

I certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled matter.

s/s_____ _____

GAYLE A. McGUIGAN, CSR, RMR, CRR Date
Official Court Reporter

EXHIBIT 2

United States District Court
Northern District of Illinois
Eastern Division

Erich Specht, et al

v.

Google Inc., et al

JUDGMENT IN A CIVIL CASE

Case Number: 09 C 2572

☐ Jury Verdict. This action came before the Court for a trial by jury. The issues have been tried and the jury rendered its verdict.

■ Decision by Court. This action came to hearing before the Court. The issues have been heard and a decision has been rendered.

IT IS HEREBY ORDERED AND ADJUDGED that Google's oral motion to dismiss without prejudice Counts II, IV, V, VI, VII of the counterclaim is granted. The Court having previously granted Google's Motion for Summary Judgment on Counts I-V of Plaintiffs' Second Amended Complaint, and Counts I and III of Google's counterclaim, judgment is hereby final for the purposes of appeal.

Michael W. Dobbins, Clerk of Court

Date: 2/24/2011

/s/ Wanda A. Parker, Deputy Clerk

EXHIBIT 3

Marty Murphy

From: Marty Murphy <martym@villageinvestments.com>
Sent: Monday, March 21, 2011 12:35 PM
To: 'FinnH@gtlaw.com'
Subject: RE: Specht/Google

Herb,

I believe that the time for filing the motion has passed, and, therefore, would be untimely. As the Court clearly stated at the February 24, 2011 hearing "as of today then, the judgment is final for the purposes of the appeal." The "Filed" date on the judgment is also February 24, 2011. Under FRCP Rule 54(d)(2)(B)(i), the motion must be filed no later than 14 days after the entry of judgment. I also don't believe that Local Rule 54.3 would apply since you are effectively asking the Court to award fees as a sanction for what you would apparently perceive to be "an abuse of process in suing" under the Nightingale case. So, I believe that perhaps the best way to go is to have the Court rule on whether the motion is or is not timely. If the Court rules in Google's favor, then I would be agreeable to your briefing schedule and filing an oversize brief.

Marty

From: FinnH@gtlaw.com [mailto:FinnH@gtlaw.com]
Sent: Sunday, March 20, 2011 5:26 PM
To: martym@villageinvestments.com
Cc: NelsonC@gtlaw.com; DunningJ@gtlaw.com
Subject: Specht/Google

Marty,

As previously advised, we intent on filing a motion for attorneys fees. So as to avoid an unnecessary hearing, we would like to come to some agreement as to a briefing schedule. We suggest 14 days for a response and 7 for a Reply. Please advise if that is acceptable.

Also, please advise if Plaintiffs object to an oversized brief of no more than 5 pages. We, of course, would agree to a similar size for Plaintiffs' responsive brief.

Thank you,

Herb Finn

Herbert H. Finn
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