UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

Konami Gaming, Inc., Plaintiff v. Marks Studios, LLC, Defendant	Case No.: 2:14-cv-01485-JAD-BNW **Order Granting Plaintiff's Motion to Voluntarily Dismiss, Denying Defendants' Motion for Judgment as Moot, and Closing this Case** [ECF Nos. 173, 177]

After the patents underlying its claims were invalidated in a separate proceeding,[1] plaintiff Konami Gaming, Inc. moves to voluntarily dismiss this action without prejudice under Federal Rule of Civil Procedure 41(a)(2).[2] Defendant Marks Studios, LLC opposes Konami's motion and moves for judgment under Rule 56 or 58, arguing that a dismissal under Rule 41 would prejudice its ability to move for costs under Rule 54(d)(1) and attorney's fees under 35 U.S.C. § 285.[3] Because Marks Studios has not shown that a voluntary dismissal will cause it legal prejudice, I grant Konami's motion to voluntarily dismiss and deny Marks Studios' motion as moot.

Discussion

Rule 41 vests the district court with discretion to dismiss an action at the plaintiff's instance "upon such terms and conditions as the court deems proper."[4] "A district court should

[1] *Konami Gaming, Inc. v. High 5 Games, LLC*, No. 2:14-CV-01483-RFB-NJK, 2018 WL 1020120, at *1 (D. Nev. Feb. 22, 2018), *aff'd*, 756 F. App'x 994 (Fed. Cir. 2019).

[2] ECF No. 173.

[3] ECF Nos. 176; 177.

[4] *Hargis v. Foster*, 312 F.3d 404, 407 (9th Cir. 2002).

grant a motion for voluntary dismissal under Rule 41(a)(2) unless a defendant can show that it will suffer some plain legal prejudice as a result."[5] "Legal prejudice" means "prejudice to some legal interest, some legal claim, some legal argument" but not "[u]ncertainty because a dispute remains unresolved."[6] "For example, in determining what will amount to legal prejudice, courts have examined whether a dismissal without prejudice would result in the loss of a federal forum, or the right to a jury trial, or a statute-of-limitations defense."[7]

In *CRST Van Expedited, Inc. v. Equal Employment Opportunity Commission*, the United States Supreme Court held that a defendant could be a prevailing party absent a judgment on the merits under Title VII of the Civil Rights Act of 1964, reasoning that "a defendant has . . . fulfilled its primary objective whenever the plaintiff's challenge is rebuffed."[8] The Federal Circuit relied on *CRST* to affirm a district court's conferral of prevailing-party status under 35 U.S.C. § 285 after dismissing the plaintiff's claim with prejudice.[9] And because the Federal Circuit interprets the term "prevailing party" consistently between 35 U.S.C. § 285 and Rule 54(d)(1), it later held that a dismissal for mootness was sufficient to confer prevailing-party status on the defendant under Rule 54(d)(1).[10]

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[5] *Smith v. Lenches*, 263 F.3d 972, 975 (9th Cir. 2001).

[6] *Westlands Water Dist. v. United States*, 100 F.3d 94, 97 (9th Cir. 1996).

[7] *Id.*

[8] *CRST Van Expedited, Inc. v. E.E.O.C.*, 136 S. Ct. 1642, 1651 (2016).

[9] *Raniere v. Microsoft Corp.*, 887 F.3d 1298, 1308 (Fed. Cir. 2018); *see also Giesecke & Devrient GmbH v. United States*, No. 17-1812C, 2020 WL 401806, at *10 (Fed. Cl. Jan. 24, 2020) (holding that defendant was a prevailing party under 35 U.S.C. § 285 after voluntary dismissal because defendant fulfilled its primary objective and "it would have made little sense to force the parties to go through a charade of a merits determination no one wanted simply to apply the moniker 'with prejudice'").

[10] *B.E. Tech., L.L.C. v. Facebook, Inc.*, 940 F.3d 675, 677 (Fed. Cir. 2019).

Marks Studios argues that it would be prejudiced by a voluntary dismissal because it would lose its "substantial right" to be deemed a prevailing party under Rule 54(d)(1) and 35 U.S.C. § 285. But Federal Circuit decisions interpreting *CRST* suggest that Marks Studios can be a prevailing party absent a final judgment.[11] And Marks Studios' own brief suggests that its concern amounts to uncertainty rather than legal prejudice, conceding that "dismissing an action under Rule 41(a)(2) *might* prevent Marks Studios from achieving prevailing party status."[12] Marks Studios relies on a decision from the United States District Court for the Middle District of Florida in support of its position, but that decision pre-dates *CRST* and the Federal Circuit decisions interpreting *CRST*.[13] Because Marks Studios fails to show legal prejudice from a voluntary dismissal under Rule 41(a)(2), I grant Konami's motion to voluntarily dismiss and deny Marks Studios' motion for judgment as moot.[14]

Conclusion

IT IS THEREFORE ORDERED that Konami's motion to voluntarily dismiss without prejudice **[ECF No. 173] is GRANTED** and Marks Studios' motion for judgment **[ECF No. 177] is DENIED as moot.** The CLERK OF COURT is directed to CLOSE THIS CASE.

Dated: March 16, 2020

U.S. District Judge Jennifer A. Dorsey

[11] *See Raniere*, 887 F.3d 1298; *B.E. Tech., L.L.C.*, 940 F.3d 675.

[12] ECF No. 176 at 4 (emphasis added).

[13] *Peschke Map Techs. LLC v. Miromar Dev. Corp.*, No. 2:15-CV-173-FTM-38MRM, 2016 WL 1546465, at *2 (M.D. Fla. Apr. 15, 2016).

[14] In their briefs, the parties approach the merits of whether Marks Studios is a prevailing party and, if so, on what claims. ECF Nos. 176 at 2; 178 at 4. That issue is not before me, and this order should not be construed as addressing whether Marks Studios is a prevailing party under Rule 54(d)(1) or 35 U.S.C. § 285.