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UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

IN RE: AMERANTH PATENT LITIGATION

CASE NOS.

11cv1810 DMS (WVG) 12cv1643 DMS (WVG)
12cv0729 DMS (WVG) 12cv1644 DMS (WVG)
12cv0731 DMS (WVG) 12cv1646 DMS (WVG)
12cv0732 DMS (WVG) 12cv1648 DMS (WVG)
12cv0733 DMS (WVG) 12cv1649 DMS (WVG)
12cv0737 DMS (WVG) 12cv1650 DMS (WVG)
12cv0739 DMS (WVG) 12cv1651 DMS (WVG)
12cv0742 DMS (WVG) 12cv1652 DMS (WVG)
12cv0858 DMS (WVG) 12cv1653 DMS (WVG)
12cv1627 DMS (WVG) 12cv1654 DMS (WVG)
12cv1629 DMS (WVG) 12cv1655 DMS (WVG)
12cv1630 DMS (WVG) 12cv1656 DMS (WVG)
12cv1631 DMS (WVG) 13cv0350 DMS (WVG)
12cv1633 DMS (WVG) 13cv0352 DMS (WVG)
12cv1634 DMS (WVG) 13cv0353 DMS (WVG)
12cv1636 DMS (WVG) 13cv1072 DMS (WVG)
12cv1640 DMS (WVG) 13cv1520 DMS (WVG)
12cv1642 DMS (WVG) 13cv1525 DMS (WVG)
12cv2350 DMS (WVG) 13cv1840 DMS (WVG)

MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF PLAINTIFF AMERANTH, INC.'S MOTION TO DISQUALIFY COUNSEL

Date: **January 3, 2014**
Time: **1:30 p.m.**
Location: **Courtroom 13A**
Judge: **Hon. Dana M. Sabraw**

Complaint Filed: August 15, 2011

TABLE OF CONTENTS

Page

TABLE OF AUTHORITIES

Page

OTHER

I. INTRODUCTION

Plaintiff Ameranth, Inc. moves to disqualify attorney Jim Warriner, one of the counsel for defendants Papa John's, Expedia, Fandango, Hotel Tonight, Hotels.com, Hotwire, Kayak, Live Nation/TicketMaster, Micros, Orbitz, StubHub, Travelocity, Wanderspot and OpenTable (the "Fulbright Defendants"), and Mr. Warriner's law firm, Norton Rose Fulbright (fka Fulbright & Jaworski LLP)(the "Fulbright Firm"), for violation of Rule 1.12 of the ABA Rules of Professional Conduct and Local Rule 83.4(b).

Mr. Warriner served as the judicial law clerk to the Hon. Chad Everingham of the United States District Court for the Eastern District of Texas when the *Ameranth v. Menusoft* lawsuit was prosecuted and tried before that court involving Ameranth's '850, '325 and '733 patents, each of which are among the four patents in suit in the consolidated cases pending before this Court. Defense counsel in the Texas litigation included Fulbright attorneys Richard Zembek, Mark Delflache, and Dustin Mauck, each of whom also represents the Fulbright Defendants in these consolidated cases. Mr. Warriner is now employed as an attorney with the Fulbright firm and he is directly involved with both the consolidated cases before this Court and the covered business method ("CBM") proceedings before the United States Patent & Trademark Office ("Patent Office" or "PTO").

Southern District of California Local Rule 83.4(b), entitled "Standards of Professional Conduct," advises counsel to conduct themselves in compliance with the "Code of Professional Responsibility of the American Bar

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Association."[1] This District looks to the ABA Model Rules of Professional Conduct when determining disqualification motions. *See*, *e.g.*, *Multimedia Patent Trust v. Apple Inc.*, 2011 WL 1636928 *2 (S.D. Cal. 2011).

ABA Model Rule 1.12 ("Former Judge, Arbitrator, Mediator or Other Third-Party Neutral") provides that:

> (a) … a lawyer shall not represent anyone in connection with a matter in which the lawyer participated personally and substantially as a judge or other adjudicative officer or law clerk to such a person or as an arbitrator, mediator or other third-party neutral, unless all parties to the proceeding give informed consent, confirmed in writing.
>
> …
>
> (c) If a lawyer is disqualified by paragraph (a), no lawyer in a firm with which that lawyer is associated may knowingly undertake or continue representation in the matter unless:
>
> (1) the disqualified lawyer is timely screened from any participation in the matter and is apportioned no part of the fee therefrom; and
>
> (2) written notice is promptly given to the parties and any appropriate tribunal to enable them to ascertain compliance with the provisions of this rule.

ABA Model Rule 1.12 is the basis of a substantively identical Patent Office ethical rule, codified at 37 C.F.R. §11.112, which provides:

> (a) … a practitioner shall not represent anyone in connection with a matter in which the practitioner participated personally and substantially as a judge or other adjudicative officer or law clerk to such a person or as

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[1] The standard of care exercised by this Court in assuring compliance with applicable ethical considerations is exemplified in this very case by Judges Sammartino and Stormes, among others, recusing themselves to assure that no conflicts were presented.

> an arbitrator, mediator or other third-party neutral, unless all parties to the proceeding give informed consent, confirmed in writing.
>
> . . .
>
> (c) If a practitioner is disqualified by paragraph (a) of this section, no practitioner in a firm with which that practitioner is associated may knowingly undertake or continue representation in the matter unless:
>
> (1) The disqualified practitioner is timely screened from any participation in the matter and is apportioned no part of the fee therefrom; and
>
> (2) Written notice is promptly given to the parties and any appropriate tribunal to enable them to ascertain compliance with the provisions of this section.

Because Mr. Warriner served as a judicial law clerk in the *Ameranth v. Menusoft* lawsuit involving the same patents and many of the same critical issues of patent validity present in the consolidated cases and in the CBM proceedings, both Mr. Warriner and his employer—the Fulbright Firm—should be disqualified in this action. Further, the Fulbright Defendants and non-Fulbright Defendants are parties to a joint defense agreement and are co-petitioners in the CBM petitions[2]. Discovery should be permitted into communications within the joint defense group to determine whether other counsel are tainted and further disqualifications are consequently appropriate. *See j2 Global Comms. Inc. v. Captaris Inc.*, 2012 WL 6618272 *10 (C.D. Cal. 2012) (ordering co-counsel that had discussions with the disqualified attorney to be screened from the case).

As discussed herein, courts across the country have decisively dealt with situations of this ilk by disqualifying the conflicted attorneys and their laws firm

[2] Ameranth plans to bring a similar disqualification motion before the USPTO.

in order to avoid the appearance of impropriety and to protect the integrity of the judicial system. A similar result should obtain here.

II. BACKGROUND FACTS

In 2007, Ameranth filed a patent infringement lawsuit in the Eastern District of Texas against Menusoft Corporation and other defendants styled as *Ameranth v. Menusoft*, Civil Case No. 07-cv-271. The *Ameranth v. Menusoft* case was assigned to the Honorable Chad Everingham. Judge Everingham's law clerk for the bulk of the substantive proceeding in the lawsuit, including for the *Markman* hearing, claim construction, settlement conferences, and the trial itself, was Jim Warriner[3]. Osborne Decl., ¶¶ 2, 4.

The defendants in the *Ameranth v. Menusoft* lawsuit were accused of infringing three of Ameranth's patents—the '850, '325 and '733 patents. The claim terms were construed by the court, and a jury trial was held from September 13-20, 2010 before Judge Everingham. Jim Warriner was Judge Everingham's sole law clerk throughout the key phases of the litigation including at the *Markman* Hearing, for dispositive motion dispositions and at the trial. Exhs. 3, 11. Judge Everingham also held confidential settlement meetings with the parties to attempt to resolve the matter. Osborne Decl., ¶ 4; McNally Decl., ¶ 5.

Defendants in the *Ameranth v. Menusoft* lawsuit were represented by the Fulbright Firm. Richard Zembek, Mark Delflache and Dustin Mauck of the Fulbright Firm were primary defense counsel and attended and participated in the trial. Mr. Zembek and Mr. Delflache attended the *Markman* Hearing with

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[3] Mr. Warriner was also, for a short period of time, Judge Everingham's law clerk while *Ameranth v. Par Technology Corp.*, Eastern District of Texas Case No. 2:10-cv-294, was assigned to Judge Everingham. NOL, Exh. 13; Osborne Decl., ¶ 6. *Ameranth v. Par* was likewise a suit for infringement of Ameranth's '850, '325 and '733 patents.

Mr. Zembek primarily presenting the defendants' positions. Osborne Decl., ¶¶ 3, 5; NOL, Exh. 3.

Ameranth commenced the earliest of the consolidated cases currently pending before this Court in August of 2011. Dkt. No. 1. One of the original defendants sued at that time on the '850 and '325 patents (and subsequently sued on the '077 patent) was Papa John's. Papa John's has been represented at all times by the Fulbright Firm, and Richard Zembek, and Mark Delflache and Dustin Mauck have been among the primary members of the Fulbright team representing Papa John's in the matter. Osborne Decl., ¶ 8.

As the litigation has progressed, and additional defendants have been added to the consolidated cases, the Fulbright Firm has expanded its representation of defendants accused of infringing Ameranth's '850, '325, '733 and '077 patents, so that the Fulbright Firm now represents all 14 of the "Fulbright Defendants" identified above. Osborne Decl., ¶ 9.

In the consolidated cases, the defendants—including the Fulbright Defendants—raise numerous challenges to the validity of the '850, '325 and '733 patents, including the same challenges previously raised to those same patents in the *Ameranth v. Menusoft* action. Furthermore, the defendants, including the Fulbright Defendants, raise a number of defenses and issues arising directly out of the *Ameranth v. Menusoft* lawsuit. For example, defendants argue that the judgment entered in the *Ameranth v. Menusoft* case (and subsequently vacated while on appeal to the Federal Circuit) should collaterally estop Ameranth from asserting the claims of the patents against the defendants in this action. *See*, *e.g.*, Case No. 12-cv-1636, Dkt. No. 17-1, pp. 5-12. Likewise, defendants argue that the claim construction rulings issued by Judge Everingham should unilaterally collaterally estop Ameranth (but not the defendants) from asserting other constructions. Dkt. No. 497 (Transcript of

Proceedings, pp. 10-11, Sept. 12, 2013). Furthermore, defendants assert claims of inequitable conduct against Ameranth on the (incorrect) grounds that Ameranth supposedly failed to disclose to the USPTO the alleged "prior art" references that the defendants in the *Ameranth v. Menusoft* submitted to the Eastern District of Texas. *See*, *e.g.*, Case No. 12-cv-733, Dkt. No. 59, ¶¶169-72; Case No. 12-cv-1651, Dkt. No. 40, ¶209. Thus, there are substantial overlapping issues between the *Ameranth v. Menusoft* litigation and the consolidated cases before this Court. Likewise, the CBM petitions challenge the validity of the patents in suit on many of the grounds unsuccessfully asserted as defenses in the *Ameranth v. Menusoft* matter. Osborne Decl., ¶ 11.

According to Mr. Warriner's professional profile, he joined the Fulbright Firm as an associate attorney in August of 2013—approximately two years after the earliest of the Consolidated Cases were filed against Papa John's and others and roughly two months before the defendants filed their Covered Business Method ("CBM") petitions in the Patent Office. Exh. 2. Email correspondence demonstrates that Mr. Warriner started working on this case and the defendants' CBM petitions almost immediately after joining Fulbright. Exhs. 4-9.

A review of recent emails exchanges between counsel for Ameranth and the Fulbright Firm reveal that Mr. Warriner has been involved with both the CBM petitions, and with the defense of the consolidated cases, since at least September 27, 2013. Exh. 4[4]. Mr. Warriner is working on these matters with the same Fulbright attorneys who tried the *Ameranth v. Menusoft* lawsuit before Judge Everingham while Mr. Warriner was Judge Everingham's law clerk—Richard Zembek, Mark Delflache, and Dustin Mauck—among others. Osborne Decl., ¶¶ 3, 8, 10.

[4] Although Mr. Warriner began appearing in emails by September 27, 2013, Ameranth's counsel did not realize who he was until mid-November 2013. Osborne Decl., ¶ 12.

From this evidence it is clear that: 1) Mr. Warriner participated personally and substantially in the *Ameranth v. Menusoft* lawsuit as a judicial law clerk to Judge Everingham (Exhs. 1-3, 11); 2) Mr. Warriner has participated personally and substantially in both the consolidated cases and the CBM petitions (Exhs. 4-8) as an associate attorney with the Fulbright Firm, and consequently has *not* been timely screened from involvement, participation or contact in or with the consolidated cases or the CBM petitions; and 3) the notices required by Rule 1.12 have never been served upon Ameranth, the Court or the USPTO. Osborne Decl., ¶ 13.

In light of his substantial personal involvement with the *Ameranth v. Menusoft* lawsuit as a judicial law clerk, Mr. Warriner is disqualified from participation in the consolidated cases, and the CBM petitions, under ABA Model Rule 1.12, Local Rule 83.4(b), and USPTO ethical rule 37 C.F.R. §11.112. Furthermore, because Mr. Warriner has not been ethically screened from the rest of the Fulbright Firm in a timely manner, the entire Fulbright Firm is disqualified from participation in those matters as well. Moreover, discovery should be permitted into the extent of joint defense group communications between tainted members of the Fulbright Firm and other defense counsel in the joint defense group to determine if additional disqualifications are appropriate.

III. ARGUMENT

Mr. Warriner was not formerly Ameranth's attorney, but his position as law clerk to the judge who presided over a case involving the same Ameranth patents asserted in this matter disqualifies him from working in a capacity adverse to Ameranth here. Indeed, "no California case has held that only a client or former client may bring a disqualification motion." *Kennedy v. Eldridge*, 201 Cal.App.4th 1197, 1204 (2011) (emphasis added). This is because "[a] trial court's authority to disqualify an attorney derives from the

power inherent in every court '[t]o control in furtherance of justice, the conduct of its ministerial officers, and of all other persons in any manner connected with a judicial proceeding before it, in every matter pertaining thereto.'" *People ex rel. Dept. of Corporations v. SpeeDee Oil Change Systems, Inc.*, 20 Cal.4th 1135, 1145 (2006) (*quoting* Cal. Code Civ. Proc. § 128(a)(5)). Ultimately, California law recognizes that "[t]he important right to counsel of one's choice must yield to ethical considerations that affect the fundamental principles of our judicial process." *Id.* "Disqualification of counsel not only prevents attorneys from breaching their ethical duties, but also protects the judicial process from any taint of unfairness that might arise from conflicts of interest." *Bernhoft Law Firm, S.C. v. Pollock*, 2013 WL 542087 *2 (S.D. Cal. 2013).

A. California Courts Look To ABA Rule 1.12 As Persuasive Authority.

Courts applying California ethics law look to the ABA Model Rules of Professional Conduct as persuasive authority, including Rule 1.12. *See County of Los Angeles v. Forsyth*, 223 F.3d 990, 993 (9th Cir. 2000) ("Though the Model Rules of Professional Conduct have not been adopted as binding under California law (which governs here), *see State Compensation Ins. Fund v. WPS, Inc., 70 Cal. App. 4th 644, 655-56 (1999)*, we rely on the Rules as persuasive authority. *See Paul E. Iacono Structural Eng'r, Inc. v. Humphrey, 722 F.2d 435, 439 (9th Cir. 1983)*; *see also Cho v. Superior Court, 39 Cal. App. 4th 113, 121 n.2 (1995)*; *Higdon v. Superior Court, 227 Cal. App. 3d 1667, 1680, 278 Cal. Rptr. 588 (1991)").*

Former clerk Warriner and his current firm, Fulbright, are clearly disqualified from representing parties adverse to Ameranth in the consolidated cases. Rule 1.12 provides that:

> (a) … ***a lawyer shall not represent anyone in connection with a matter in which the lawyer participated personally and***

> ***substantially as a judge or other adjudicative officer or law clerk*** . . . unless all parties to the proceeding give informed consent, confirmed in writing.
>
> …
>
> *(c) If a lawyer is disqualified by paragraph (a),* ***no lawyer in a firm with which that lawyer is associated may knowingly undertake or continue representation in the matter unless****:*
>
> (1) ***the disqualified lawyer is timely screened*** from any participation in the matter and is apportioned no part of the fee therefrom; and
>
> (2) ***written notice is promptly given*** to the parties and any appropriate tribunal to enable them to ascertain compliance with the provisions of this rule. (Emphasis added).

Mr. Warriner is now working on matters which involve the same subject matter and issues as presented in *Ameranth v. Menusoft*, Ameranth was not notified of and has not consented to Mr. Warriner's participation in these matters, Mr. Warriner was not timely screened from the actions adverse to Ameranth (in fact he apparently was hired and immediately assigned to work on those matters), and neither Mr. Warriner nor the Fulbright Firm provided *any* written notice to Ameranth, the Court or the Patent Office. Under these circumstances, the application of the Rule is clear: Mr. Warriner and his firm must be disqualified from the consolidated cases and from the CBM proceedings.

B. Mr. Warriner Is Now Working Against Ameranth On The Same Subject Matter He Was Involved With In A Judicial Capacity.

Numerous courts have held that the ABA Rule of Professional Conduct broad interpretation of "matter" in Rule 1.11(d) provides definition to the term "matter" in ABA Rule 1.12:

> [T]he term "matter" includes:
> (1) any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, arrest or other particular matter *involving a specific party or parties*....
> Model Rule 1.11(d). As one commentator has stated, the thrust of the word "is more in the direction of universality than of delimitation." C. Wolfram, *Modern Legal Ethics* § 8.10 (1986) at 471, 472–73 (additionally stating that the same issue of fact involving the same parties and the same situation or conduct is the same matter); *see also Laker Airways Ltd. v. Pan American World Airways,* 103 F.R.D. 22, 34, 38 & n. 60 (D.D.C.1984) (interpreting similar language in a District of Columbia rule to require that the relationship between issues in prior and present cases be "patently clear").
>
> In his roles as territorial court judge and special master, Feuerzeig participated personally and substantially in attempts to resolve a disagreement concerning the existence and extent of an easement over Parcel No. 38 . . . those same parties are now before the AAA. . . [T]the arbitration panel will have to ascertain whether an easement exists and, if so, the extent of the easement and how it was created. Hence, the same "matter" in which Feuerzeig participated personally and substantially as judge and special master is before the panel in the arbitration proceeding, in which Feuerzeig is ARI's lead counsel. Rule 1.12(a) requires, therefore, that Feuerzeig be disqualified from further representation of ARI in the disputes that are now before the AAA.

Isidor Paiewonsky Assoc., Inc. v. Sharp Prop., Inc., 1990 WL 303427 at *8 (D. Virgin Is. 1990).

> By choosing the word "matter" for Rule 1.11 and Rule 1.12, the Utah Supreme Court intended the two rules to encompass more than just the same lawsuit. In the context of interpreting "matter" for the purpose of understanding Rule 1.12, courts have held: "The same lawsuit or litigation is the same matter. The same issue of fact involving the same parties and the same situation or conduct is the same matter.... [T]he same 'matter' is not involved [when] ... there is lacking the discrete, identifiable transaction of conduct involving a particular situation and specific parties." *See Poly Software Int'l v.*

> *Datamost Corp.*, 880 F.Supp. 1487, 1492 (D.Utah 1995) (*citing Sec. Investor Protection Corp. v. Vigman*, 587 F.Supp. 1358, 1365 (C.D. Cal. 1984) (holding two civil lawsuits, filed ten years apart with some identical and some different claims, constituted the same matter because they addressed the same conduct involving a particular situation and specific parties)).

Archuleta v. Turley, 904 F.Supp.2d 1185, 1190 (D. Utah 2012).

The circumstances in the above mentioned cases requiring disqualification are present here. There are overlapping issues presented in both the *Ameranth v. Menusoft* lawsuit and the consolidated cases, as well as in the CBM petitions, and at least one party—Ameranth—is common to all.[5] Where the same issues are litigated in cases involving the same party or parties, even though in different forums, they are the same "matter" for purposes of ABA Rule 1.12.

Judge Everingham himself made abundantly clear that cases involving the same patents are the same "matters" for purposes of ABA Rule 1.12 shortly before Mr. Warriner became Judge Everingham's clerk:

> Based on Mr. Langham's previous participation in penning a *Markman* order for Judge Gilmore involving patents common to this case, the court disqualifies Mr. Langham from further participation in this case.

Superspeed, LLC, v. IBM Corp., C.A. No. 2:07-cv-089 (E.D. Tex. Jan. 18, 2008), Dkt. No. 77 (NOL, Exh. 10). In *Superspeed*, Mr. Langham was a judicial clerk who participated in "*penning a Markman*"[6] order regarding particular patents, who subsequently was employed by a law firm which was involved in litigating the very same patents in a different court, and which firm tried to use him in the second case to improperly harvest his unique knowledge and insights

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[5] The Fulbright Firm is currently or has been involved in all of these matters. Osborne Decl., ¶¶ 3, 8, 10.

[6] Judge Everingham's order also makes it clear that law clerks are generally intimately involved with drafting claim construction orders.

obtained in the first case while he was a judicial clerk. Judge Everingham emphatically rejected that attempt. The exact same thing is being attempted now by the Fulbright Firm in the consolidated cases and in the CBM proceedings with Mr. Warriner. Mr. Warriner and the Fulbright Firm should not be allowed to get away with conduct that the judge for whom Mr. Warriner clerked deemed unacceptable.

> Many other courts and ethics bodies have reached the same conclusion:
>
> Thus, if we treat this new, 1999 action and the 1984 action as the same "matter," it is clear under Rule 1.12 that Carroll must be precluded from participating in this case. There is little doubt that the two actions should be treated as the same "matter": they involve the same parties and largely the same facts and conduct and, more importantly, this new action seeks to recover for the violation of a consent decree that Carroll had a hand in construing while she served as Judge Troutman's law clerk

Monument Builders of Pennsylvania, Inc. v. Catholic Cemeteries Ass'n, 190 F.R.D. 164, 166-67 (E.D. Pa. 1999); *see also* Michigan Ethics Opinion, RI-288 (Feb. 10, 1997) (deciding that former judge cannot provide representation in attempt to modify order he entered while judge, and that entire firm is disqualified "unless the lawyer is screened from all participation in the matter"; noting that "The Rule makes no distinction as to whether or not the matter is pending before the court on which the lawyer had previously sat as judge."); *James v. Mississippi Bar*, 962 So. 2d 528, 533-35 (2007) (where issues were intertwined between cases, the cases involved the same matter even though in different venues); *Jessen v. Hartford Ca. Ins. Co.*, 111 Cal. App.4th 698, 711 (2003) (in-depth analysis not required; a rational link between the subject matter of the two cases will suffice); *U.S. v. Villaspring Health Care Center, Inc.*, 2011 WL 5330790 *5 (E.D. Ky. 2011) ("because the two matters involve the same basic facts, the same defendant and related prosecutors, and the time elapsed

between the events was not significant, the two matters are the same for Rule 1.11 purposes"); *In re de Brittingham,* 319 S.W.3d 95, 98-99 (Tex. App. 2010) ("similar, particular transaction involving a specific party or parties"); *Maintaining the Public Trust: Ethics for Federal Judicial Law Clerks*, Federal Judicial Center, p. 25 (2d Ed. 2011) ("Finally, your ethical obligations impose certain ongoing restrictions that follow you to the next step in your career. You may not participate in any matter that was pending before your judge during your clerkship.").

The overlap between patent infringement cases involving the same patents is indisputable given the bifurcated manner the Supreme Court has directed for the litigation of patent claims. *Markman v. Westview Instr., Inc.*, 517 U.S. 370, 384 (1996). First, the Court must construe the patent's reach as a matter of law. That claim construction is intended to be predictive of the patent's application to all parties, with the Court looking to "the letters patent and the description of the invention and specification of claim annexed to them." *Id*. Only after the patent is construed can infringement be determined. Insofar as the *Ameranth v. Menusoft* case, the consolidated case and the CBM proceedings are concerned, the "matters" are the same. The "correctness" of Judge Everingham's claim construction orders in *Ameranth v. Menusoft* will have a direct bearing on claim construction issues in this case and in the CBM proceedings. Likewise, the fact that Judge Everingham construed the system claims of the '850, '325 and '733 patents undermines the defendants' arguments that those claims lack written description or impermissibly combine system (apparatus) and method claims.

Notably, the annotations to the ABA Models Rules also advise that, insofar as former law clerks are concerned, the existence of a relationship between "matters" can be determined, in part, by considering whether "the

correctness" of their judge's former decision "made while [they] served as law clerks" will have any "bearing upon issues in current suit." Ann. ABA Model Rules of Prof. Conduct, Rule 1.12 ("What is a Matter?" subsection). Clearly, Defendants cannot deny that the correctness of Judge Everingham's claim construction decisions will bear upon numerous issues in the present case; in fact, it will figure prominently in this case. *See, e.g., Precor Inc. v. Fitness Quest, Inc.*, 2006 WL 2469123 at *1 (W.D. Wash. 2006) (recognizing importance of prior claim construction). It is improper to allow a former law clerk to be put in the position of interpreting and challenging the judicial work product that he or she assisted in creating.[7]

Mr. Warriner was extensively involved in numerous decisions of Judge Everingham which involved issues implicated in the present case and in the defendants' CBM petitions, including, for example: (a) claim construction for terms of the '850, '325 and '733 patents, comprising three separate claim construction orders; and (b) a motion for summary judgment on the "best mode requirement" of 35 USC §112. Additionally, the effect, if any, of the vacated

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[7] Note that disqualification is mandated under Rule 1.12 *despite*, rather than because of, any suggestion of an actual leaked confidence. *Fredonia Broadcasting v. RCA Corp.*, 569 F.2d 251, 256-57 (5th Cir. 1978) (reversing judgment because trial lawyer had previously served as clerk in earlier trial of the same case in view of appearance concerns)(*overruled on other grounds*, 810 F.2d 1345). A former "law clerk, by virtue of his position, is obviously privy to his judge's thoughts in ways that parties cannot be" and "the notion" that he might use that knowledge is "offensive." *Id.* "Law clerks are not merely the judge's errand runners." *Hall v. Small Business Admin.,* 695 F.2d 175, 179 (5th Cir. 1983). Rather, "clerks are privy to the judge's thoughts in a way that neither parties to the lawsuit nor his most intimate family members may be." *Id.* A requirement to demonstrate the actual transfer of confidences would ignore persuasive authority which seeks to maintain the integrity of the bench and bar by requiring disqualification where there is an "appearance" of impropriety.

verdict from the *Menusoft* lawsuit has been and will be disputed in the consolidated cases.

Mr. Warriner's involvement in the *Menusoft* Markman Hearing is demonstrated by the appearance of his name on the minutes as the only law clerk present. Exh. 3[8]. In fact, Mr. Warriner was Judge Everingham's only clerk during this time period. Exh. 11. Moreover, from his statement in the *SuperSpeed* case regarding a law clerk "penning" the Markman Order in the first *SuperSpeed* case, it is clear that Judge Everingham deeply involved his law clerks in the claim construction process. Exh. 10. If permitted to remain in this action, Mr. Warriner and the Fulbright Firm would be arguing for this Court (and the USPTO) to or ignore or modify the very claim construction orders that Mr. Warriner was involved in creating as Judge Everingham's law clerk in the *Ameranth v. Menusoft* matter. That is precisely what Judge Everingham himself said a former clerk cannot do in *Superspeed*. *See also, e.g., Mississippi Comm'n on Jud. Performance v. Atkinson,* 645 So. 2d 1331 (Miss. 1994) (disciplining lawyer for representation seeking to reduce bond previously set by lawyer while functioning as judge).

Because Mr. Warriner has been working on the consolidated cases and CBM petitions as evidenced by the emails from the Fulbright Firm (Exhs. 4-8), he obviously has *not* been screened from these matters. Because of that lack of screening, and the fact that the notices required by Rule 1.12 have never been served, not only is Mr. Warriner disqualified, but the entire Fulbright firm must be as well. *See j2 Global Comms. Inc. v. Captaris Inc.*, 2012 WL 6618272 *8

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[8] The court's minutes also demonstrate that Richard Zembek, for whom Mr. Warriner now works, presented the defendants' *Markman* argument to the court in the *Ameranth v. Menusoft* lawsuit. Exh. 3. Mr. Zembek also serves as liaison counsel for all of the non-Fulbright Defendants in the consolidated cases. Osborne Decl., ¶ 5.

(C.D. Cal. 2012) ("Normally, an attorney's conflict is imputed to the law firm as a whole on the rationale that attorneys, working together and practicing law in a professional association, share each other's, and their clients', confidential information") (*citing City and County of San Francisco v. Cobra Solutions*, 38 Cal.4th 839, 847–48 (2006)); *Advanced Messaging Techs. v. EasyLink Services Intern.*, 913 F.Supp. 2d 900, 910-11 (C.D. Cal. 2010)(applying "Vicarious Presumption Rule" to disqualify entire law firm without analysis of "how much work a tainted attorney performed" or proof of shared confidences within the firm). ABA Model Rule Prof. Conduct 1.12(c).

Furthermore, this is not a situation where a former law clerk's prior involvement was unknown to his employing firm. As described above, at least three of the Fulbright attorneys chiefly involved in these consolidated cases—Richard Zembek, Mark Delflache and Dustin Mauck—were on the defense team that tried the *Ameranth v. Menusoft* case in front of Judge Everingham while Mr. Warriner was his law clerk. Osborne Decl., ¶ 3. Thus, disqualification of the entire Fulbright Firm is appropriate and justified.

C. Mr. Warriner Was Likely Privy To Confidential Information Which Ameranth Shared Directly With Judge Everingham But Did Not Divulge To Defendants In *Ameranth v. Menusoft*.

While Mr. Warriner was his law clerk, Judge Everingham conducted confidential settlement discussions with Ameranth (and separately with Menusoft) in the *Ameranth v. Menusoft* lawsuit. In these discussions, Ameranth's officers (Keith McNally and Vern Yates) shared sensitive and confidential information with the Court that was not disclosed to Menusoft or otherwise made public, including Ameranth's assessment of the merits of its case, the strength and scope of its patents, and its licensing goals and strategies. McNally Decl., ¶ 5.

One of the underlying rationales for ABA Rule 1.12 is that a litigant should be free to discuss the merits of its case with a judicial officer who has involved himself in an attempt to settle a case without fear that someone from the judicial officer's staff would later work against the litigant on the same subject matter. Because of this stringent prohibition of later use of confidential information obtained by a judicial officer during settlement efforts, California has in the past applied an absolute bar to participation by any firm employing a tainted lawyer:

> [A] judge who has participated in mediation or settlement efforts, or who has otherwise received confidential information from the parties in a case . . . becomes a confidant of the parties, on a par with the parties' own lawyers. Under those circumstances, the judge will be conclusively presumed to have received client confidences in the course of the mediation, and his later participation in the case will be governed by the same rule that governs lawyers: He may not participate in the case and, pursuant to Model Rules of Professional Conduct Rule 1.10(a), neither may his firm.

County of Los Angeles v. Forsyth, 223 F.3d 990, 993-94 (9th Cir. 2000). Vicarious disqualification of the entire firm thus requires no proof of receipt of specific confidential information.

The presumption of shared confidences is now deemed rebuttable by interpreting courts consistent with the provisions of ABA Rule 1.12. *Id*. at 996. Such rebuttal, however, must comprise proof of effective screening:

> An ethical wall, ***when implemented in a timely and effective way***, can rebut the presumption that a lawyer has contaminated the entire firm. The Model Rules explicitly approve the use of screening procedures to avoid vicarious disqualification where a former judicial officer or government lawyer has joined the firm. *See id.* Rules 1.11(a)-(b), 1.12(c)(1)

County of Los Angeles, 223 F.3d at 996 (emphasis added).

While Ameranth engaged in confidential settlement discussions in chambers with Judge Everingham, and not directly with Mr. Warriner, given the close working relationship between the judge and his sole law clerk, and the extent of Mr. Warriner's involvement in the *Ameranth v. Menusoft* matter, it is a fair assumption that Mr. Warriner was exposed to or learned of confidential matters Ameranth that discussed with the court[9]. Ameranth should not be subjected to the risk that such information may now be used against it by Mr. Warriner, the Fulbright Firm, or any of the other defendants sharing information with the Fulbright Firm under their joint defense agreement.

> The integrity of the judicial process demands that litigants have confidence that a judicial officer who has been privy to revelations regarding the case in the course of settlement conferences will not later become aligned with the opposition.

Cho v. Superior Court of Los Angeles County, 39 Cal. App. 4th 113, 122 (1995).

> If parties to mediation know that their mediator could someday be an attorney on the opposing side in a substantially related matter, they will be discouraged from freely disclosing their position in the mediation, which may severely diminish the opportunity for settlement. . . .

Id. at 124 (*quoting Poly Software Intern*., *Inc. v. Su,* 880 F. Supp. 1487, 1494 (D. Utah 1995).

> We agree with the analysis in *Poly Software* that disqualification of both the individual attorney and his or her firm is required where the attorney has been privy to confidences of a litigant while acting as a neutral mediator. We also agree with the distinction drawn between adjudicators and mediators, so long as the adjudicator does not become a mediator and, in doing so, receive confidences from the parties going to the essential merits of the dispute. Where a

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[9] *See Hamid v. Price Waterhouse*, 51 F.3d 1411, 1416 (9th Cir. 1995) (law clerk's role in judge's decision making process "may be quite significant"); *Hall v. Small Business Admin.*, 695 F.2d 175, 179 (5th Cir. 1983) (a "clerk is forbidden to do all that is prohibited to the judge").

> judicial officer has presided over settlement conferences which included *ex parte* communication, we presume the revelation of confidences relating to the merits of a litigant's case.

Id. at 125.[10] Cases decided after *Cho* have held that effective screening can avoid vicarious disqualification,[11] but there was no screening in the case at bench.

The present situation requires a broad disqualification of counsel because Mr. Warriner has been working on the consolidated cases and the CBM proceedings, which is the *opposite* of a screening procedure which was "implemented in a timely and effective way." *Id*.

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[10] Note also that:

> [E]ven when two matters are not the same as defined in Rule 1.11 and applied in Rule 1.12, a lawyer may be disqualified under Rule 1.12 if he received confidential information that tainted the litigation and resulted in an unfair advantage for one party. *See Poly Software*, 880 F.Supp. at 1494–1495. The court in *Poly Software* used Rule 1.12 to disqualify a lawyer who mediated a dispute involving the parties who were then before the court in a legally distinct, but factually related case. The court interpreted "matter" under Rule 1.12 to include not only the definition of Rule 1.11, but also the broader definition of "substantially factually related matter" as understood in Rule 1.9 of the Utah Rules of Professional Conduct.

Archuleta v. Turley, 904 F.Supp.2d 1185 (D. Utah 2012).

[11] Cases dealing with prior representation conflicts are instructive in indicating the types of preemptive steps which might indicate effective screening. *See, e.g., Openwave Sys. Inc. v. Myriad France S.A.S*., 2011 WL 1225978 *4 (N.D. Cal. 2011) ("The firm may rebut the presumption that confidential client information was shared by showing that the tainted attorney ***has not had*** and will not have any ***involvement with the litigation, or any communication with other attorneys or employees concerning the litigation***.") (emphasis added).

D. Defendants Have Asserted New Arguments Since Mr. Warriner Joined the Fulbright Firm to Work on These Matters.

According to Mr. Warriner's professional profile, he joined the Fulbright Firm in August of 2013. Exh. 2. Since that time, the Fulbright Defendants, and other members of the joint defense group for whom Mr. Zembek serves as liaison counsel, have asserted a number of new arguments/ defenses, many of which seek to avoid or circumvent Judge Everingham's rulings in the *Ameranth v. Menusoft* lawsuit that Mr. Warriner worked on as a judicial law clerk.

The Fulbright Firm asserted the defense of inequitable conduct against Ameranth on behalf of the defendants in the *Ameranth v. Menusoft* lawsuit with respect to the '850, '325 and '733 patents. Judge Everingham rejected that defense, and did not even see a need to hold a separate hearing on inequitable conduct. *Ameranth v. Menusoft*, Eastern District of Texas Case No. 07-cv-271, Dkt. No. 316 (May 26, 2011), p. 5 ("the court DENIES Defendants' motion for a finding of inequitable conduct"). Osborne Decl., ¶ 7.

Prior to Mr. Warriner joining the Fulbright Firm, the Fulbright Defendants did not assert affirmative defenses or counterclaims for inequitable conduct with respect to any of the '850, '325 and '733 patents as to which Judge Everingham had previously found no inequitable conduct. *See* Dkt. No. 117 (Papa John's Answer and Counterclaims). In contrast, when Ameranth sued the Fulbright Defendants on the '077 patent (a patent that had not issued when Mr. Warriner clerked for Judge Everingham and was not before Judge Everingham in the *Ameranth v. Menusoft* lawsuit), the Fulbright Defendants asserted both affirmative defenses and counterclaims for inequitable conduct as to the '077 patent, only (*see* 12-cv-729, Dkt. No. 23, at pp. 6, 13-29).

However, in and around October of 2013, shortly after Mr. Warriner went to work for the Fulbright Firm, the firm filed a series of answers and

counterclaims on behalf of the Fulbright Defendants that asserted affirmative defenses and counterclaims of inequitable conduct against the '850, '325 and '733 patents as well, contrary to Judge Everingham's prior finding. *See*, *e.g.*, 12-cv-1634, Dkt. No. 38, pp. 13-15, 26-31 (Hotel.com Answer); 12-cv-1651, Dkt. No. 40, pp. 15-17, 29-36 (Fandango Answer). Many of the other, non-Fulbright, defendants also filed substantially similar answers and counterclaims (sometimes containing identical language), evidencing the high level of communication and information sharing within the joint defense group. *See*, *e.g.*, 12-cv-733, Dkt. No. 59, pp. 11-13, 20- 25 (Domino's Answer).

Likewise, on October 15, 2013, a couple of months after Mr. Warriner's arrival at the Fulbright Firm, the Fulbright Defendants and most of the other defendants filed CBM petitions challenging Ameranth's patents, including the '850, '325 and '733 patents construed by and tried before Judge Everingham while Mr. Warriner clerked for him. As Ameranth points out in its Opposition to Defendants' Motion to Stay (Dkt. No. 526), the defendants' CBM petitions are filled with instances of the defendants seeking to avoid or circumvent the findings or rulings by Judge Everingham, including: (a) that the patents claim a novel inventions (Dkt. No. 526, p. 10, ll. 4-7); (b) rejecting defendants' proposed construction of "transmitting to a web page," which underlies defendants' indefiniteness arguments (*id.* at p. 16, ll. 19-25, p. 18, ll. 3-12); and (c) finding the claims sufficiently definite and described to be construed (*id*. at p. 17, ll. 4-8). Additionally, following Mr. Warriner's arrival at the Fulbright Firm, the defendants have asserted a "single species" of synchronization argument that is, in reality, simply a repackaging of a claim construction position rejected by Judge Everingham previously (*id.* at p. 17, ll. 8-27).

By enlisting Mr. Warriner's assistance to circumvent and undermine the claim constructions and rulings issued by the judge for whom he clerked and on

which he personally worked, the Fulbright Defendants, and the other members of the joint defense group working with the Fulbright Firm, are improperly seeking an unfair advantage and "inside track." The ethical rules imposed upon attorneys and former judicial officers and their clerks are intended to prevent this type of conduct, and the appearance (and actuality) of impropriety that it creates.

All of the defendants have unfairly benefitted from Mr. Warriner's involvement in this matter. Thus, not only should Mr. Warriner and the Fulbright Firm be disqualified, but discovery should also be permitted into the extent of other defense counsel's communications with the tainted attorneys to determine whether further disqualifications are appropriate.

E. The Fulbright Defendants Would Not Be Unduly Prejudiced By Disqualification Of Their Present Counsel.

The Fulbright Defendants should be estopped from arguing that they would be unduly prejudiced by disqualification based on "lateness in the case," or proximity to trial, *etc*., because they just sought a stay of the entire case arguing to the contrary and asserting that no prejudice would result from a stay:

> C. The Trial Date and Discovery Status Weighs in Favor of a Stay.
>
> Ameranth's argument that the case is "substantially advanced" is similarly unavailing. *See* Opp. at 19. Regardless, the fourth factor strictly is "whether discovery is complete and whether a trial date has been set." AIA § 18(b)(1). Ameranth concedes that "discovery is not complete, and no trial date is currently set." Opp. at 19. Thus, this factor strongly favors granting a stay.

Defendants' Reply In Support Of Motion For Stay, Dkt. No. 528, p. 9. *See also* Dkt, No. 520-1, pp. 11-12. As the Court is aware, non-claim construction discovery is currently stayed in the consolidated cases, further reducing the likelihood of any prejudice. Moreover, "the paramount concern must be the preservation of public trust both in the scrupulous administration of justice and

in the integrity of the bar. Consequently, the recognizably important right to choose one's counsel must yield to the ethical considerations that embody the moral principles of our judicial process." *State Farm Mut. Auto. Ins. Co. v. Federal Ins. Co.*, 72 Cal.App.4th 1422, 1428 (1999).

IV. CONCLUSION

Mr. Warriner and the Fulbright Firm violated the Rules of Professional Conduct by failing to ethically screen Mr. Warriner from any contact with or involvement in the consolidated cases and the CBM petitions despite their actual knowledge of his personal involvement with the same matter as the law clerk for Judge Everingham in the *Ameranth v. Menusoft* lawsuit, and by failing to provide appropriate notice to Ameranth, the Court, and the USPTO. Under these circumstances, Rule of Professional Conduct 1.12, Local Rule 83.4(b), and 37 C.F.R. §11.112 call for disqualification of both Mr. Warriner and the Fulbright Firm from any continuing involvement in this matter.

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Furthermore, the sharing of information and assertion of common (often identical) positions by the joint defense group defendants in both the consolidated cases and the CBM petitions since Mr. Warriner joined the Fulbright Firm creates the impression that other defense counsel may be subject to the same disqualification concerns with which Mr. Warriner and the Fulbright Firm are tainted[12]. Therefore, Ameranth requests permission of the Court to conduct discovery into the joint defense group communications between Mr. Warriner, the Fulbright Firm, and other defense counsel to determine if further disqualifications are appropriate.

Respectfully submitted,

Dated: November 21, 2013 CALDARELLI HEJMANOWSKI & PAGE LLP

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[12] Judge Everingham, for whom Mr. Warriner clerked, has subsequently retired from the Bench and taken a job as a partner at Akin Gump, which firm is counsel for defendant Hilton in these matters. NOL, Exh. 12.