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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)

**DECLARATION OF JOHN W. OSBORNE IN  
SUPPORT OF PLAINTIFF AMERANTH, INC.'S  
MOTION TO DISQUALIFY AKIN GUMP**

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

Complaint Filed: August 15, 2011

1 I, John W. Osborne, declare as follows:

2 1. I am an attorney licensed to practice and in good standing with the  
3 State Bar of New York, and am admitted in this matter *pro hac vice* in the United  
4 States District Court for the Southern District of California. I am one of the  
5 counsel of record for Plaintiff Ameranth, Inc. (“Ameranth”) in these consolidated  
6 cases. I was also counsel of record for Ameranth in the *Ameranth v. Menusoft*  
7 case, filed in the Eastern District of Texas as Case No. 2:07-cv-271, and *Ameranth*  
8 *v. Par*, filed in the Eastern District of Texas as Case No. 2:10-cv-294. I am also  
9 counsel of record for Ameranth in the covered business method (“CBM”) petition  
10 proceedings instituted by the defendants herein before the USPTO on four of  
11 Ameranth’s patents. On these bases, I have first-hand personal knowledge of the  
12 facts set forth in this declaration. If called upon to testify, I would and could do so  
13 competently as set forth herein. I provide this declaration in support of  
14 Ameranth’s Motion to Disqualify Akin Gump.

15 2. The *Ameranth v. Menusoft* case was presided over by the Honorable  
16 Charles Everingham, of the Eastern District of Texas. The defendants in that case  
17 were accused of infringing Ameranth’s ‘850, ‘325 and ‘733 patents. Those are  
18 three of the four patents that are at issue in both the consolidated cases pending  
19 before this Court and in the CBM petitions before the Patent Office.

20 3. In the *Ameranth v. Menusoft* case, Judge Everingham presided over,  
21 among other things, a motion for summary judgment on a “best mode” defense, the  
22 claim construction hearing (resulting in 3 separate claim construction orders), the  
23 jury trial (conducted from September 13-20, 2010), and settlement conferences  
24 held separately with the parties during the trial to attempt to resolve the dispute.

25 4. I also represented Ameranth in a patent infringement action entitled  
26 *Ameranth v. Par Technology Corp.*, Eastern District of Texas Case No. 2:10-cv-  
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1 294. That case involved infringement of Ameranth's '850 and '325 patents as  
2 well. Judge Everingham was the Magistrate Judge assigned to the *Ameranth v. Par*  
3 lawsuit for a period of time, and the parties stipulated to the assignment of the case  
4 to Judge Everingham for all purposes. When Judge Everingham left the bench, the  
5 *Ameranth v. Par* case was reassigned.

6 5. The defendants in the *Ameranth v. Menusoft* case also asserted an  
7 inequitable conduct defense against the patents. Judge Everingham denied and  
8 dismissed the inequitable conduct claim, without holding a separate hearing on the  
9 issue.

10 6. The defendants in the *Ameranth. v. Par* case brought a motion seeking  
11 to have Ameranth's patent infringement claims against them barred by the doctrine  
12 of issue preclusion/ collateral estoppel based upon the (now vacated) judgment in  
13 the *Ameranth v. Menusoft* case. The defendants sought to extend the scope of  
14 preclusion to patent claims that were not asserted in the *Menusoft* lawsuit. On  
15 August 16, 2011, Judge Everingham issued a Report and Recommendation (later  
16 adopted) denying the defendants' attempt to dismiss patent claims that were not  
17 asserted in the *Menusoft* trial. A true a correct copy of that order, filed as Dkt. No.  
18 107 in Eastern District of Texas Case No. 2:10-cv-294, is lodged with the Court as  
19 Exhibit 12 to the Notice of Lodgment filed herewith.

20 7. Ameranth commenced the earliest of the consolidated cases pending  
21 before this Court in August of 2011. On June 29, 2012, Ameranth filed a  
22 complaint for patent infringement in this Court against Hilton for infringement of  
23 Ameranth's '850, '325 and '077 patents. Case No. 12-cv-1636, Dkt. No. 1. The  
24 suit against Hilton has been consolidated with the consolidated cases before the  
25 Court under Case No. 11-cv-1810. Ameranth's First Amended Complaint against  
26 Hilton also alleges infringement of the '850, '325 and '077 patents. Case No. 11-  
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1 cv-1810, Dkt. No. 471.

2 8. Akin Gump is the law firm that has been and is representing Hilton in  
3 the consolidated cases. The Akin Gump attorneys representing Hilton in this  
4 matter include David Stein, Emily Johnson and Kellie Johnson. *See, e.g.*, Case No.  
5 11-cv-1810, Dkt. No. 494, p. 12.

6 9. In October of 2013, the majority of the defendants in the consolidated  
7 cases, including Hilton, filed CBM petitions with the USPTO challenging  
8 Ameranth's '850, '325, '733 and '077 patents. Emily Johnson and Kellie Johnson  
9 of the Akin Gump firm are listed as counsel of record for Hilton in that proceeding.  
10 Lodged with the Court as Exhibit 11 to the Notice of Lodgment is a recent filing  
11 by petitioners in the CBM proceeding, with Emily Johnson and Kellie Johnson of  
12 the Akin Gump firm shown as counsel for Hilton on page 5.

13 10. As discussed in the Motion to Disqualify Akin Gump, the defendants  
14 have raised a number of challenges to the validity of the 850, '325 and '733 patents  
15 in the consolidated cases, including many of the same challenges previously raised  
16 to those same patents in the *Ameranth v. Menusoft* action. Furthermore, the  
17 defendants, including Hilton, raise a number of defenses and issues arising directly  
18 out of the *Ameranth v. Menusoft* and/or *Ameranth v. Par* lawsuits, including  
19 allegations of collateral estoppel and inequitable conduct charges, and a number of  
20 issues that are impacted by Judge Everingham's rulings in *Ameranth v. Menusoft*,  
21 including his three claim construction orders. Thus, there are substantial  
22 overlapping issues between the *Ameranth v. Menusoft* and *Ameranth v. Par*  
23 lawsuits and the consolidated cases before this Court. Likewise, the CBM  
24 petitions challenge the validity of the patents in suit on many of the grounds  
25 unsuccessfully asserted as defenses in the *Ameranth v. Menusoft* matter or at odds  
26 with Judge Everingham's rulings and claim constructions, as discussed in  
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1 Ameranth's Opposition to the defendants' Motion to Stay [Dkt. No. 526].

2 11. Ameranth was never notified by Mr. Everingham, Akin Gump, or any  
3 of the Akin Gump attorneys working on these matters that Mr. Everingham had  
4 joined the firm. Ameranth was never asked to waive any conflict created by Mr.  
5 Everingham's presence at the Akin Gump firm (and no such waiver would have  
6 been given in any event). Neither Ameranth, the Court, nor the USPTO, to my  
7 knowledge, has been served with the "screening" notices required by Model Rule  
8 of Professional Conduct 1.12(c)(2) or 37 C.F.R. §11.112(c)(2). Ameranth's  
9 counsel was aware that Judge Everingham had left the bench. However, it did not  
10 realize until very recently (when it began investigating potential conflicts because  
11 of the conflict with the Fulbright Firm that Ameranth learned of in mid-November  
12 2013 caused by Fulbright's hiring of Judge Everingham's former law clerk, Jim  
13 Warriner, and his involvement in matters involving Ameranth) that Judge  
14 Everingham was now a partner at Akin Gump working out of the firm's Longview,  
15 Texas, office with Hilton counsel David Stein.

16 12. Because of Mr. Everingham's substantial personal involvement in the  
17 *Ameranth v. Menusoft* case and *Ameranth v. Par* lawsuit as the federal judge  
18 presiding over those matters, and the significant overlap and similarities between  
19 that case, the consolidated cases, and the CBM proceedings, and Judge  
20 Everingham's participation in confidential settlement conferences with Ameranth  
21 in the *Menusoft* case, Ameranth believes that it may be prejudiced by Akin Gump's  
22 continuing involvement in this matter.

23 13. Furthermore, because of the joint defense agreement in place between  
24 the defendants, and the high level of communication and cooperation that appears  
25 to exist between all of the joint defense group defendants, Ameranth is concerned  
26 that other defense counsel may have been tainted by contact and communication  
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1 with the Akin Gump attorneys working on these matters.

2 14. Attached as Exhibit 1 to the Notice of Lodgment filed herewith is a  
3 true and correct copy of an Akin Gump press release dated October 3, 2011,  
4 announcing that former Magistrate Judge Charles Everingham joined the Akin  
5 Gump firm as a partner at the same time that attorney David Stein (attorney for  
6 Hilton in these consolidated cases) joined the Akin Gump firm as a partner, printed  
7 from the Akin Gump website on November 19, 2013.

8 15. Attached as Exhibit 2 to the Notice of Lodgment filed herewith is a  
9 true and correct copy of a list of Akin Gump attorneys working in the Longview,  
10 Texas, office, printed from the Akin Gump website on November 18, 2013.

11 16. Attached as Exhibit 3 to the Notice of Lodgment filed herewith is a  
12 true and correct copy of a profile of Charles Everingham appearing on the Akin  
13 Gump website, printed from the Akin Gump website on November 18, 2013.

14 17. Attached as Exhibit 4 to the Notice of Lodgment filed herewith is a  
15 true and correct copy of a profile of David Stein appearing on the Akin Gump  
16 website, printed from the Akin Gump website on November 21, 2013.

17 18. Attached as Exhibit 5 to the Notice of Lodgment filed herewith is a  
18 true and correct copy of a Notice of Appearance of David Stein on behalf of  
19 defendant in *Lodsys Group, LLC v. Caesars Interactive Entertainment, Inc.*,  
20 Eastern District of Texas Case No. 2:13-cv-272, dated May 15, 2013, on file with  
21 the court therein.

22 19. Attached as Exhibit 6 to the Notice of Lodgment filed herewith is a  
23 true and correct copy of a Notice of Appearance of Charles Everingham on behalf  
24 of defendant in *Lodsys Group, LLC v. Caesars Interactive Entertainment, Inc.*,  
25 Eastern District of Texas Case No. 2:13-cv-272, dated May 15, 2013, on file with  
26 the court therein.

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1           20. Attached as Exhibit 7 to the Notice of Lodgment filed herewith is a  
2 true and correct copy of an Answer to Complaint for Patent Infringement filed in  
3 *Lodsys Group, LLC v. Caesars Interactive Entertainment, Inc.*, Eastern District of  
4 Texas Case No. 2:13-cv-272, dated June 17, 2013, listing both David Stein and  
5 Charles Everingham as counsel for defendant.

6           21. Attached as Exhibit 8 to the Notice of Lodgment filed herewith is a  
7 true and correct copy of a Justia.com docket report for *MacroSolve, Inc. v.*  
8 *Wyndam Hotel Group, LLC*, Eastern District of Texas Case No. 6:13-cv-675,  
9 listing Charles Everingham, David Stein, Emily Johnson and Kellie Johnson as  
10 counsel of record for the Wyndham defendants, printed from the Justia.com  
11 website on November 18, 2013.

12           22. Attached as Exhibit 9 to the Notice of Lodgment filed herewith is a  
13 true and correct copy of a Notice of Appearance of Charles Everingham on behalf  
14 of defendants in *MacroSolve, Inc. v. Wyndam Hotel Group, LLC*, Eastern District  
15 of Texas Case No. 6:13-cv-675, dated September 27, 2013, filed with the court  
16 therein.

17           23. Attached as Exhibit 10 to the Notice of Lodgment filed herewith is a  
18 true and correct copy of a Notice of Appearance of David Stein on behalf of  
19 defendants in *MacroSolve, Inc. v. Wyndam Hotel Group, LLC*, Eastern District of  
20 Texas Case No. 6:13-cv-675, dated September 27, 2013, filed with the court  
21 therein.

22           24. Attached as Exhibit 11 to the Notice of Lodgment filed herewith is a  
23 true and correct copy of Petitioners' Notice in Response to Identification of Defect  
24 filed in with the USPTO in defendants' CBM proceeding (*Agilysys v. Ameranth*,  
25 Case CBM 2014-00015) on October 30, 2013, listing, on page 5 Emily Johnson  
26 and Kellie Johnson of Akin Gump as attorneys for Hilton, a copy of which was  
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1 served upon me as counsel for Ameranth.

2 25. Attached as Exhibit 12 to the Notice of Lodgment filed herewith is a  
3 true and correct copy of a Report and Recommendation regarding Motion to  
4 Dismiss issued by the Honorable Charles Everingham on August 16, 2011, in  
5 *Ameranth v. Par*, Eastern District of Texas Case No. 2:10-cv-294 [Dkt. No. 107],  
6 in which I was counsel of record for Ameranth.

7 26. Attached as Exhibit 13 to the Notice of Lodgment filed herewith is a  
8 true and correct copy of an Order granting defendant's motion to disqualify  
9 counsel entered by the Honorable Charles Everingham on January 18, 2008, in  
10 *Superspeed, LLC v. IBM Corp.*, Eastern District of Texas Case No. 2:07-cv-089  
11 [Dkt. No. 77], and filed with the court therein.

12 27. Attached as Exhibit 14 to the Notice of Lodgment filed herewith is a  
13 true and correct copy of a brochure from the ABA Section of Intellectual Property  
14 Law 27<sup>th</sup> Annual Intellectual Property Law Conference, March 28-30, 2012,  
15 showing as panelists both Charles Everingham (at p. 8) and David Stein (at p. 15)  
16 of Akin Gump, printed from the ABA IP Section's webpage on November 22,  
17 2013.

18 I declare under penalty of perjury under the laws of the United States that  
19 the foregoing is true and correct of my own personal knowledge and that I  
20 executed this declaration on November 22, 2013, in Cortlandt Manor, New York.

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25 John W. Osborne