

1 **CALDARELLI HEJMANOWSKI & PAGE LLP**

2 William J. Caldarelli (SBN #149573)

3 Ben West (SBN #251018)

4 12340 El Camino Real, Suite 430

5 San Diego, CA 92130

6 Telephone: (858) 720-8080

7 Facsimile: (858) 720-6680

8 wjc@chplawfirm.com

9 dbw@chplawfirm.com

10 **FABIANO LAW FIRM, P.C.**

11 Michael D. Fabiano (SBN #167058)

12 12526 High Bluff Drive, Suite 300

13 San Diego, CA 92130

14 Telephone: (619) 742-9631

15 mdfabiano@fabianolawfirm.com

16 **OSBORNE LAW LLC**

17 John W. Osborne (*Appointed Pro Hac Vice*)

18 33 Habitat Lane

19 Cortlandt Manor, NY 10567

20 Telephone: (914) 714-5936

21 josborne@osborneipl.com

22 **WATTS LAW OFFICES**

23 Ethan M. Watts (SBN #234441)

24 12340 El Camino Real, Suite 430

25 San Diego, CA 92130

26 Telephone: (858) 509-0808

27 Facsimile: (619) 878-5784

28 emw@ewattslaw.com

Attorneys for Plaintiff Ameranth, Inc.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

**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 KEITH MCNALLY IN
SUPPORT OF AMERANTH, INC.'S
OPPOSITION TO DEFENDANTS' MOTION TO
STAY**

**Date: December 13, 2013
Time: 1:30 p.m.
Location: Courtroom 13A
Judge: Hon. Dana M. Sabraw**

Complaint Filed: August 15, 2011

1 I, Keith McNally, declare as follows:

2 1. I am over 18 years of age and competent to testify. I am the President
3 of Ameranth, Inc. (“Ameranth”), the plaintiff in this action, and am one of its
4 original founders. I am also the lead inventor of the four patents-in-suit owned by
5 Ameranth and asserted in the consolidated lawsuits pending before this Court. I
6 was involved with the prosecution of the patents in the USPTO. On these bases, I
7 have first-hand personal knowledge of the facts contained in this declaration, and if
8 called upon to testify I would and could do so competently as set forth herein. I
9 provide this declaration in support of Ameranth’s Opposition to the Defendants’
10 Motion to Stay.

11 2. Ameranth is a small but innovative software development company
12 founded in California in 1996. Ameranth’s founders identified needs and
13 challenges existing in the hospitality industry, and invented breakthrough
14 technology to solve the underlying problems required to meet those needs.

15 3. Some of the problems, challenges, and needs that Ameranth’s
16 founders perceived, and for which they invented novel technological solutions, are
17 described in Section A of Ameranth’s Opposition to the Defendants’ Motion to
18 Stay, filed herewith.

19 4. Ameranth conceived, invented, produced and deployed five core
20 products for use in the hospitality industry (in addition to a Poker Room Manager
21 system). Attached as **Exhibit 1** to the Notice of Lodgment filed herewith is an
22 excerpt from an exemplary Disclosure of Asserted Claims and Infringement
23 Contentions which accurately lists, in section G, five of Ameranth’s hospitality
24 industry products that Ameranth invented, developed and widely deployed. Red
25 Lobster, Seasons 52, Medieval Times, The Cheesecake Factory restaurants and
26 others adopted Ameranth’s technology systems for their operations. Ameranth’s
27

1 technology was also deployed at numerous entertainment venues, including
2 Madison Square Garden, Staples Center, Lambeau Field, and Improv and Funny
3 Bones comedy clubs throughout the country. Holiday Inn likewise adopted and
4 deployed Ameranth's technology throughout its hotels nationwide. Zagat adopted
5 Ameranth's Magellan restaurant reservations product, which at its peak it was
6 operational in more than 2000 dining establishments before being largely displaced
7 by OpenTable and others.

8 5. Ameranth's award winning hospitality products were deployed in
9 thousands of restaurants, hotels, casino, clubs and stadiums (as described in greater
10 detail in the 37 CFR §1.132 Declarations discussed below and lodged with the
11 Court), until infringing products introduced by entities such as OpenTable and
12 many of the other defendants herein largely displaced them from the hospitality
13 market.

14 6. Ameranth had direct discussions with and demonstrated its products
15 and technology to many of the defendants in this matter, including Domino's,
16 Pizza Hut, QuikOrder, Papa John's, Starbucks, Agilysys, Marriott and Micros,
17 which subsequently rolled out infringing products after disclosure of Ameranth's
18 products to them (Agilysys was, until some point in 2012, a licensee of Ameranth).
19 Attached as **Exhibit 2** to the Notice of Lodgment filed herewith is a true and
20 correct copy of a September 2007 press release from Domino's calling its mobile
21 ordering product, (which copied and infringed upon aspects of Ameranth's
22 patented invention), its own "breakthrough technology."

23 7. Ameranth properly and timely applied for patents for its inventions
24 with the USPTO, resulting in the eventual issuance of the four patents in suit
25 (Ameranth's '850, '325, '733 and '077 patents). The patents describe software
26
27

1 systems for performance of certain novel hospitality functions which are
2 necessarily performed with computerized components.

3 8. Attached as **Exhibit 3** to the Notice of Lodgment filed herewith is a
4 true and correct copy of a declaration, signed by me on August 19, 2009, and
5 submitted to the USPTO pursuant to 37 CFR §1.132, accurately describing many
6 of the “secondary factors” demonstrating the innovative and novel nature of
7 Ameranth’s inventions and products.

8 9. Attached as **Exhibit 4** to the Notice of Lodgment filed herewith is a
9 true and correct copy of a supplemental declaration, signed by me on May 10,
10 2010, and submitted to the USPTO pursuant to 37 CFR §1.132, accurately
11 describing several additional “secondary factors” demonstrating the innovative and
12 novel nature of Ameranth’s inventions and products.

13 10. Attached as **Exhibit 5** to the Notice of Lodgment filed herewith is a
14 true and correct copy of a supplemental “nexus” declaration, signed by me on
15 December 13, 2010, and submitted to the USPTO pursuant to 37 CFR §1.132,
16 accurately explaining the nexus between the secondary factors and the patented
17 inventions.

18 11. Attached as **Exhibit 14** to the Notice of Lodgment filed herewith is a
19 true and correct copy of a supplemental declaration, signed by me on December,
20 13, 2010, and submitted to the USPTO pursuant to 37 CFR §1.132, accurately
21 describing several additional “secondary factors” demonstrating the innovative and
22 novel nature of Ameranth’s inventions and further explaining the nexus between
23 secondary factors and the patented inventions.

24 12. Attached as **Exhibit 13** to the Notice of Lodgment filed herewith are
25 true and correct copies of exemplary press releases issued by Ameranth and two of
26
27

1 its 26 existing licensees—Snapfinger, Inc. and PAR Technology Corporation—
2 attesting to the novel and visionary nature of Ameranth’s patented inventions.

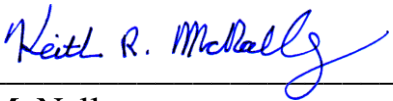
3 13. Attached as **Exhibit 15** to the Notice of Lodgment filed herewith is a
4 true and correct copy of an Ameranth press release regarding Ameranth’s strategic
5 partnership with Zagat to provide a restaurant reservation service through
6 Ameranth’s Magellan system.

7 14. Ameranth currently has 26 licensees, all of whom compete directly
8 with one or more of the defendants herein. The defendants’ continued
9 infringement of Ameranth’s patents adversely affects Ameranth’s licensees’
10 business, Ameranth’s income from such licenses, and Ameranth’s licensing efforts
11 and ability to obtain further licensees and licensing income within the remaining
12 term of the patents. In fact, recently one of the defendants, OWeb, displaced an
13 Ameranth licensee in Outback Steakhouses, thereby directly and adversely
14 impacting the revenue both of our licensee and of Ameranth itself, since
15 Ameranth’s licenses generally provide for running royalties based upon processed
16 transactions. An expanded stay of the litigation, which would allow defendants to
17 continue infringing Ameranth’s patents without consequence, would further harm
18 Ameranth and its many licensees. Moreover, a stay would harm Ameranth by
19 prolonging and increasing the expense of litigation, by allowing witnesses’
20 memories to fade and relevant evidence to become stale and harder to find in
21 discovery, and would result in loss of some of the remaining term of the patents in
22 suit (the oldest of which may expire in 2019).

23 15. Furthermore, the technology involved in the litigation—mobile/ web
24 systems and products—evolves rapidly. New versions of products are often
25 released twice a year. Ameranth has invested substantial sums of money in
26 discovery, source code and technical document review, and detailed analysis of the
27

1 source code and technical implementations of the recent versions of the infringing
2 products and systems in connection with this litigation. A further stay of the
3 litigation may render such products and analysis outdated as products continue to
4 evolve, require further expensive and time consuming updating, and unfairly
5 require Ameranth to conduct one of the most expensive aspects of a patent
6 plaintiffs' case preparation multiple times.

7 I declare under penalty of perjury under the laws of the United States that
8 this declaration was executed by me in San Diego, California, on November 8,
9 2013.

10 
11 _____
12 Keith McNally