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APPELLEE'S BRIEF

NO. 2011-1199

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

IN RE RICOH COMPANY, LTD. PATENT LITIGATION

SYNOPSYS, INC.,

Plaintiff-Appellee,

v.

RICOH COMPANY, LTD.,

Defendant-Appellant.

RICOH COMPANY, LTD.,

Plaintiff-Appellant,

v.

AEROFLEX INCORPORATED, AMI SEMICONDUCTOR, INC., MATROX
ELECTRONIC SYSTEMS, LTD., MATROX GRAPHICS, INC., MATROX
INTERNATIONAL, INC., MATROX TECH, INC., and AEROFLEX
COLORADO SPRINGS, INC.,

Defendants-Appellees.

Appeal from the United States District Court for the Northern District of
California in case no. 03-CV-2289, Judge James Ware

**BRIEF OF APPELLEES SYNOPSYS, INC., AEROFLEX INC., AMI
SEMICONDUCTOR, INC., MATROX ELECTRONIC SYSTEMS, LTD.,
MATROX GRAPHICS, INC., MATROX INTERNATIONAL, INC.,
MATROX TECH, INC., and AEROFLEX COLORADO SPRINGS, INC.**

FILED
U.S. COURT OF APPEALS FOR
THE FEDERAL CIRCUIT

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Dated: June 20, 2011

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CERTIFICATE OF INTEREST

Counsel for the Appellee certifies the following:

1. The full name of every party represented by the undersigned counsel in this case is: Synopsys, Inc., Aeroflex Incorporated, AMI Semiconductor, Inc., Matrox Electronic Systems, Ltd., Matrox Graphics, Inc., Matrox International, Inc., Matrox Tech, Inc., and Aeroflex Colorado Springs, Inc.

2. The name of the real parties in interest represented by the undersigned counsel is: Synopsys, Inc., Aeroflex Incorporated, ON Semiconductor Corporation (formerly AMI Semiconductor, Inc., until 7/6/2010), Matrox Electronic Systems, Ltd., Matrox Graphics, Inc., Matrox International, Inc., Matrox Tech, Inc., and Aeroflex Colorado Springs, Inc.¹

3. Dodge & Cox and Columbia Management Investment Advisers, LLC each own 10% or more of the stock of Synopsys, Inc. Aeroflex Incorporated is wholly owned by Aeroflex Holding Corp. AMI Semiconductor, Inc. was formally a wholly owned subsidiary of AMIS Holdings, Inc. However, as of July 6, 2010, AMI Semiconductor Inc. was merged into Semiconductor Components Industries (SCI) LLC, which is a wholly owned subsidiary of ON Semiconductor. Matrox

¹ Synopsys and several of its customers were interested parties in the substantive appeal of the district court's summary judgment order. However, in the present appeal involving only the award of costs, Synopsys is the sole remaining real party in interest. As Synopsys indemnified its customers, Synopsys is the sole prevailing party that will benefit if the district court's costs award is affirmed.

Electronic Systems, Ltd., Matrox Graphics, Inc., Matrox International, Inc., and Matrox Tech, Inc. each has no parent company, and no publicly held corporation owns 10% or more of their stock. Aeroflex Colorado Springs, Inc. is a wholly owned subsidiary of Aeroflex Incorporated.

4. The names of the law firms and the partners and associates that have appeared for Appellees in the trial court or are expected to appear for Appellees in this Court are:

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STATEMENT OF RELATED CASES

One prior appeal in this civil action was previously before this Court. In that appeal, this Court affirmed under Federal Circuit Rule 36 the district court's grant of summary judgment of noninfringement in favor of Synopsys. *See Synopsys, Inc. v. Ricoh Co.*, No. 2010-1415, 2011 WL 835125 (Fed. Cir. Mar. 8, 2011) (per curiam). The panel that decided the appeal was composed of Judges Bryson, Dyk, and Prost. Ricoh petitioned the panel for rehearing, which was denied on April 22, 2011. Ricoh then filed a motion to stay the Federal Circuit's mandate. That too was denied, on April 29, 2011. Ricoh now challenges the district court's award of costs in favor of Synopsys—the undisputed prevailing party.

Counsel is not aware of any other cases pending in this or any other court that will directly affect or be directly affected by this Court's decision in this appeal.

JURISDICTIONAL STATEMENT

The district court had jurisdiction over Synopsys's declaratory judgment claim for noninfringement, invalidity, and unenforceability under 28 U.S.C. §§ 1338(a), 2201, and 2202. With the addition of the foregoing, Synopsys otherwise agrees with Ricoh's Statement of Jurisdiction.

COUNTER-STATEMENT OF THE ISSUES

1. Whether the district court properly exercised its broad discretion in awarding costs for a Stratify database used to produce documents in native format as requested by Ricoh?
2. Whether the district court properly exercised its broad discretion in awarding costs for exemplification and copy expenses that were "necessarily obtained for use in the case"?
3. Whether the district court properly exercised its broad discretion in awarding costs for deposition transcripts and interpreter fees?

STATEMENT OF THE CASE

This Court previously affirmed the district court's grant of summary judgment of noninfringement in favor of Synopsys, and this appeal concerns only Ricoh's challenge to the district court's award of costs. Although Ricoh makes much of the fact that Synopsys prevailed on summary judgment rather than after a full trial, the parties litigated this case over the course of several years. Synopsys prevailed, and the district court awarded costs. *See Aerotech, Inc. v. Estes*, 110

F.3d 1523, 1527 (7th Cir. 1997) (“Nothing in Rule 54(d) or our case law suggests that we should penalize a party for prevailing early.”).

In January 2003, Ricoh sued Synopsys’s customers in the District of Delaware for infringement of U.S. Patent No. 4,922,432 relating to the design and manufacture of an application specific integrated circuit. **A257–95**. Synopsys assumed the defense of its customers and, in May 2003, sued Ricoh in the Northern District of California for declaratory judgment of noninfringement, invalidity, and unenforceability. **A180** (docket); **A296–304** (Amended Complaint).

The Delaware case was transferred to California, where the court consolidated the two cases. **A86** (docket - transfer); **A171** (docket - consolidation). The court issued a claim construction order in April 2005. **A194** (docket). And in August 2006, Synopsys moved for summary judgment of noninfringement, invalidity, and unenforceability. **A206–07** (docket). Between Synopsys’s motions and Ricoh’s responses, the parties filed over 200 exhibits with the district court. **A206–10**. The court stayed the case in December 2006 based on PTO reexamination proceedings and denied all pending motions without prejudice, noting that “the parties may refile them following the stay and upon the entry of a new scheduling order, if applicable.” **A551–60**.

The case was reassigned to a new judge in February 2008, at which time the court scheduled a case management conference. **A561**. The court formally lifted

the stay in April 2008, *see* A562–64, and Synopsys asked for and received permission to revise and re-file a single one of its previously filed summary judgment motions—relating to noninfringement. A3735–37. In November 2008, Synopsys filed that motion. A216–18 (docket entries relating to motion); A565–78 (motion). The court denied the motion “without prejudice to be renewed after reconsideration of claim construction.” A220 (docket); A3738–49 (order, DI 621 at p.10). The court ultimately revised its claim construction on reconsideration, *see* A579–88, after which Synopsys renewed its motion for summary judgment of noninfringement, and after receiving permission from the district court to do so, also moved for summary judgment of noninfringement on divided infringement grounds. A3750–57 (Synopsys’s request, DI 645 at ¶ 11); A3758 (order granting Synopsys’s request); A701–21 (motion); A589–700, A722–1079 (declarations and exhibits in support of motion). On April 15, 2010, the court granted Synopsys’s motion based on divided infringement. A1291–1301. The district court entered judgment in favor of Synopsys on May 28, 2010. A1308–10. Ricoh appealed. A228 (docket - DI 714).

While the appeal was pending, the district court entered an amended judgment on November 12, 2010. A19–21. The court declared Synopsys the prevailing party and awarded costs in the amount of \$938,957.72, plus any applicable post-judgment interest. A20. The court set forth its reasons for

awarding this amount of costs in an earlier order. **A1–18.** Ricoh filed an amended notice of appeal challenging the costs award. **A3690–91.**

This Court granted the parties’ motions to separate the two appeals and stay the costs appeal (No. 2011-1199) pending a decision in the noninfringement appeal (No. 2010-1415). The Court heard oral arguments in the noninfringement appeal on March 7, 2011 and the next day affirmed under Federal Circuit Rule 36. *See Synopsys, Inc. v. Ricoh Co.*, No. 2010-1415, 2011 WL 835125 (Fed. Cir. Mar. 8, 2011). The Court denied Ricoh’s petition for rehearing on April 22, 2011. The Court denied Ricoh’s motion to stay the mandate on April 29, 2011.

On May 17, 2011, Ricoh filed its opening brief in this costs appeal, challenging the district court’s award of costs in favor of Synopsys—the undisputed prevailing party. Synopsys files this response brief in support of that award.

STATEMENT OF FACTS

On May 28, 2010, after seven years of litigation, Synopsys prevailed on its motion for summary judgment of noninfringement, and judgment was entered in Synopsys's favor. **A1291–1301; A1308–10**. The court declared Synopsys and its customers the prevailing parties, and invited them to request costs. **A1310**. Synopsys had incurred significant costs as a result of Ricoh's excessive demands and uncooperativeness throughout discovery. For example, Ricoh served broad and wide-ranging discovery requests on Synopsys and its customers, insisting on wholesale production of electronic documents into a third-party database hosted by Stratify. **A3045–52; A3056–70; A3522–60**. Moreover, Synopsys needed to employ interpreters and translators arising from the fact that Ricoh is a Japanese company. **A3052–55**. Even witnesses like lead inventor Dr. Kobayashi, who taught for years at a university in South Carolina, insisted on being deposed with interpreters.

On July 9, 2010, Synopsys submitted a Revised Bill of Costs along with a supporting declaration. **A2636–62** (Revised Bill of Costs); **A2681–746** (Declaration). Synopsys previously filed an initial Bill of Costs on June 10, 2010. **A1311–51** (Bill of Costs); **A1352–2412** (Declaration). Ultimately, Synopsys requested \$1,208,616.09 in costs. **A2636**. The Clerk of the Court awarded \$855,107.69. **A2991**.

Both Synopsys and Ricoh moved for review of the Clerk's taxation of costs. **A3031–43** (Synopsys motion); **A3044–83** (Synopsys supporting declaration); **A3001–30** (RicoH motion); **A3084–277** (RicoH supporting declaration).

The district court modified the Clerk's taxation of costs and awarded \$938,957.72 in favor of Synopsys. **A1–18**. But the court stayed RicoH's payment of the taxed costs pending this Court's decision in the merits appeal. **A16**.

On November 12, 2010, the district court entered an Amended Judgment in favor of Synopsys and its customers. **A19–21**. The court awarded \$938,957.72 in costs, plus any applicable post-judgment interest. **A20**.

SUMMARY OF ARGUMENT

This Court should affirm the district court's amended judgment, which awarded costs in favor of Synopsys—the undisputed prevailing party. More specifically, the district court did not abuse its discretion by awarding certain costs to which RicoH objects, namely those relating to (1) the Stratify database used as a means for document production (\$234,702.43), (2) exemplification fees and copy costs (\$322,515.71), and (3) deposition and interpreter costs (\$131,247.28).² There is a strong presumption in favor of awarding costs to the prevailing party, and the cost award here was a proper exercise of the district court's broad discretion.

² Although \$131,247.28 is the reduction sought by *RicoH* on page 11 of its brief, that amount does not actually line up with the reductions RicoH requested in Section IV of its brief. *See infra* Part IV.C for further explanation.

Unable to demonstrate that the district court abused its discretion in awarding the Stratify database costs, Ricoh first resorts to arguing that this portion of the award should be reviewed *de novo* because supposedly, the award of costs for the Stratify production database is purely an issue of statutory interpretation. Alternatively, Ricoh argues that the award should be overturned because supposedly, the parties agreed to share costs relating to the Stratify database. Neither argument is sound.

Ricoh does not dispute that expenses relating to production databases are recoverable under the statute. Although casting its argument as one of statutory interpretation, Ricoh is actually contending that the district court erred in finding that the Stratify database was used as a means for production. This argument, however, does *not* implicate the interpretation of any statute. It merely challenges the discretion exercised by the district court in finding that the record established that Synopsys used the Stratify database to produce documents. Ricoh has not shown any abuse of discretion with respect to this finding.

Similarly, with respect to the parties' agreement to share the Stratify costs, the district court properly exercised its discretion when it concluded that this alleged agreement said nothing about the taxability of the shared costs. Again, Ricoh has not shown that the district court abused its discretion in making this finding.

Ricoh's appeal of the other awarded costs fares no better. As for exemplification and copy costs, Synopsys submitted sufficient documentation to support the district court's exercise of discretion in awarding them. Similarly with respect to the award of deposition and interpreter costs, Ricoh has not shown any abuse of discretion. Rather, the district court properly recognized that it could award costs relating to depositions necessarily obtained for use in the case, irrespective of whether they were actually cited in Synopsys's successful summary judgment motion.

In short, the district court's award of costs was a proper exercise of its discretion. Ricoh has not shown otherwise. Accordingly, the award should be affirmed.

ARGUMENT

I. Standard of Review

Section 1920 of Title 28 and Rule 54(d) of the Federal Rules of Civil Procedure govern a district court's award of costs. *See Crawford Fitting Co. v. J.T. Gibbons, Inc.*, 482 U.S. 437, 441–42 (1987). Specifically, § 1920 “enumerates expenses that a federal court may tax as a cost under the discretionary authority found in Rule 54(d).” *Id.* Civil Local Rule 54-3 of the Northern District of California “provides additional ‘standards for interpreting the costs allowed under

section 1920.” *Whitlock v. Pepsi Ams.*, No. C08-2742, 2010 WL 3366258, at *1 (N.D. Cal. Aug. 25, 2010).

Federal Rule 54(d) provides that “[u]nless a federal statute, these rules, or a court order provides otherwise, costs—other than attorney’s fees—should be allowed to the prevailing party.” Fed. R. Civ. P. 54(d)(1). Thus an award of costs involves two inquiries: (1) identify the prevailing party and (2) determine the amount of costs to award that party. *See Shum v. Intel Corp.*, 629 F.3d 1360, 1366 (Fed. Cir. 2010) (applying Ninth Circuit law). It is undisputed that Synopsys and its customers are the prevailing parties in this case, so the only issue before this Court concerns the amount of costs awarded.

“Whether an award of costs is reasonable is determined under the law of the regional circuit.” *Id.* at 1370 (turning to “the reasonableness of the cost award” after upholding the district court’s prevailing party determination). In the Ninth Circuit, “[t]he district court’s award of costs is reviewed for abuse of discretion.” *Miles v. California*, 320 F.3d 986, 988 (9th Cir. 2003). “[T]he trial court has a wide discretion in awarding costs,” and the Ninth Circuit is “hesitant to say that the discretion has been abused.” *K-S-H Plastics, Inc. v. Carolite, Inc.*, 408 F.2d 54, 60 (9th Cir. 1969) (explaining that the trial court’s “careful consideration” of various factors “forestalls our making any finding of abuse of discretion”); *see also* Charles A. Wright, Arthur R. Miller & Mary K. Kane, *Federal Practice and*

Procedure § 2668 (3d ed. 1998) (“A discretionary ruling as to costs usually will not be disturbed on appeal, although in extreme cases it may be set aside as an abuse of discretion.” (footnote call number omitted)).

To the limited extent that the district court interpreted § 1920, that interpretation is reviewed *de novo*. See *Summit Tech., Inc. v. Nidek Co.*, 435 F.3d 1371, 1374 (Fed. Cir. 2006). For example, courts have interpreted § 1920 to include certain deposition expenses even though the statute does not explicitly include the term “deposition.” See 10 James Wm. Moore et al., *Moore’s Federal Practice* ¶¶ 54.103[3][a], [3][c][i] (3d ed. 2007). Nevertheless district courts have broad discretion to award these deposition expenses as costs, which is reviewed on appeal using the “abuse of discretion” standard. See *Miles*, 320 F.3d at 988.

There is a “strong presumption in favor of awarding costs to the prevailing party.” *Id.* The presumption is so strong that “[t]he presumption itself provides all the reason a court needs for awarding costs,” and “a district court need not give affirmative reasons for awarding costs.” *Save Our Valley v. Sound Transit*, 335 F.3d 932, 945 (9th Cir. 2003). A court must provide reasons only when “deviat[ing] from normal practice” to deny costs. See *id.* (discussing *Ass’n of Mexican-American Educators v. California*, 231 F.3d 572, 592–93 (9th Cir. 2000) (en banc)). Thus “[t]o overcome this presumption, a losing party must establish a

reason to deny costs.” *Dawson v. City of Seattle*, 435 F.3d 1054, 1070 (9th Cir. 2006); *see also Save Our Valley*, 335 F.3d at 944–45.

This presumption and the standard of review critically undermine Ricoh’s arguments and purported authority. Ricoh relies heavily on district court decisions denying costs and appellate decisions affirming the denial of costs. *See, e.g., Wash. State Dep’t of Transp. v. Wash. Natural Gas Co.*, 59 F.3d 793, 806 (9th Cir. 1995) (Rico Br. 23, 46, 48); *Comm. Concerning Cmty. Improvement v. City of Modesto*, No. CV-F-04-6121, 2007 WL 4365584 (E.D. Cal. Dec. 11, 2007) (denying certain costs) (Rico Br. 34–36). These decisions, however, do not support *reversal* of a district court’s cost *award*. The fact that a district court may have discretion to deny certain costs under the circumstances of a particular case does *not* mean that a court abuses its discretion when awarding those same costs in a different case. *See Save Our Valley*, 335 F.3d at 946 (affirming cost award based solely on the aforementioned presumption where “factors would have justified the district court’s decision to deny costs to the prevailing party, had the district court exercised its discretion in that manner”). Ricoh’s failure to recognize this basic principle supports near wholesale rejection of Ricoh’s arguments and purported authority.

II. Stratify Document Production Database

The district court awarded costs for the Stratify database under 28 U.S.C.

§ 1920(4) and Local Rule 54-3(d)(2). **A13.** Section 1920 provides as follows:

A judge or clerk of any court of the United States may tax as costs the following:

- (1) Fees of the clerk and marshal;
- (2) Fees for printed or electronically recorded transcripts necessarily obtained for use in the case;
- (3) Fees and disbursements for printing and witnesses;
- (4) Fees for *exemplification and the costs of making copies* of any materials where the copies are necessarily obtained for use in the case;
- (5) Docket fees under section 1923 of this title;
- (6) Compensation of court appointed experts, compensation of interpreters, and salaries, fees, expenses, and costs of special interpretation services under section 1828 of this title.

A bill of costs shall be filed in the case and, upon allowance, included in the judgment or decree.

28 U.S.C. § 1920 (emphasis added). Local Rule 54-3(d)(2) states that “[t]he cost of reproducing disclosure or formal discovery documents when used for any purpose in the case is allowable.”

The court awarded \$235,281.03 in costs for the Stratify database based on the following reasons:

1. “[T]he Stratify database was used as a means of document production in this case.”
2. “Ricoh itself suggested using an electronic database as the form of production, as opposed to a hard-copy production or receiving the documents electronically in TIFF format.”
3. “[T]he documents were produced in their native form via the [Stratify] database.”
4. “[T]he Stratify database was set up solely for Ricoh’s benefit as a means of producing certain documents natively.”

A13–14. Ricoh challenges the award of these costs and asks this Court to reduce the total cost award by \$234,702.43. Ricoh Br. 11.

As an initial matter, Ricoh mischaracterizes the applicable standard of review. According to Ricoh, “[t]he issue of whether the Stratify expenses ‘may be recovered under § 1920 is [solely] an issue of statutory construction, subject to *de novo* review.’” Ricoh Br. 24. Ricoh is wrong.

The district court determined that “the Stratify database was used as a means of document production in this case” and awarded certain costs associated with that database. **A13.** There are two applicable layers of standard of review associated with the district court’s determination. First, this Court reviews *de novo* whether a *database* used as a means of document production is within the scope of

§ 1920. *See Summit Tech.*, 435 F.3d at 1374–77 (statutory interpretation). Second, this Court reviews for abuse of discretion the district court’s award of costs for the Stratify database *in this case*. *Id.* Applying a *de novo* standard of review to this second determination, as Ricoh suggests, would invoke *de novo* review of all aspects of cost awards under Federal Rule 54(d) and undermine district courts’ broad discretion to award costs in favor of the prevailing party. *See, e.g., Miles*, 320 F.3d at 988.

Ricoh does *not* dispute the district court’s determination that databases used as a means of document production are within the scope of § 1920(4). Indeed, Ricoh does not challenge the cost of other media containing electronically stored information (ESI) productions. Ricoh Br. 28 n.11. And Ricoh concedes that had Synopsys provided the e-mails at issue directly to Ricoh, as opposed to Stratify, then “the cost of the media containing that ESI may have been taxable to Ricoh.” Ricoh Br. 28. Accordingly, the district court’s decision that costs associated with database production of documents can be awarded under § 1920 was not erroneous, and is not reviewable under the *de novo* standard.

Ricoh instead argues that (1) certain of the Stratify costs awarded relate not to a production database but to a review database used only for Synopsys’s convenience, (2) certain of the Stratify costs are unrelated to the physical preparation of the database, and (3) the parties’ agreement to share certain of the

Stratify costs excludes those costs from any award. This Court should reject these challenges under the abuse of discretion standard because they do *not* implicate statutory interpretation.

A. Stratify Database Is Taxable Means of Document Production

The district court found that the Stratify database was used as a means for document production because Synopsys used the Stratify database to produce documents in native format as requested by Ricoh. **A13–14.**

Synopsys used the Stratify database to produce over 100 gigabytes of e-mail in response to Ricoh’s excessive discovery requests and unwillingness to agree on a list of search terms that would have reduced the size of production. **A3047–52.** Synopsys offered to produce this data in Bates-labeled, searchable TIFF format, but Ricoh insisted that Stratify would be less expensive. **A3062–70.** Had Synopsys’s offer been accepted or had it produced paper copies, Synopsys would have recovered traditional reproduction costs. Thus where Synopsys simply complied with the means and volume of production demanded by Ricoh, the district court could not have abused its discretion in awarding costs for that compliance. *Id.* Moreover, Ricoh itself placed an additional 10 gigabytes of data from Synopsys’s customers on the Stratify database—data which Synopsys previously provided to Ricoh in native format. **A3046; A3051.**

Ricoh argues that the Stratify database was not “necessarily obtained for use in the case” as required by § 1920(4). Ricoh Br. 25. According to Ricoh, the database was obtained instead “for the sole use and convenience of Synopsys’s counsel” and that Synopsys “intended and used” the database to “review, filter, search, annotate or otherwise process its documents.” Ricoh Br. 24, 28, 30. Ricoh advanced these same arguments before the district court. Ricoh has not shown that the district court abused its discretion when it rejected these arguments. Nor can Ricoh make such a showing for the reasons explained below.

First, Ricoh—not Synopsys—proposed using Stratify to produce documents in native format. **A3069**. Second, merely alleging ways in which Synopsys used the database, even if true, fails to address the district court’s finding that *Ricoh* benefited from the Stratify database. **A13–14**. Third, Ricoh is factually wrong that Synopsys used the Stratify database for review rather than production. On three separate occasions during discovery in this case, Synopsys identified and removed privileged e-mails published on the Stratify database. **A3512**. The district court relied on these events to support its finding that the Stratify database was used for document *production* rather than *review*. **A13–14**. Ricoh has not shown that the district court abused its discretion in doing so.

Ricoh also argues that “explicit contractual clauses and correspondences between the parties” preclude a finding that the Stratify database was used as a

means for document production. Ricoh Br. 5. According to Ricoh, only about 16,000 pages that it identified in the database for printing qualify as a taxable “physical production.” Ricoh Br. 5, 14, 32. Ricoh’s own correspondence, however, refers to its request for “production of native files.” A3069–70 (stating that Ricoh’s proposal allows Synopsys to “easily comply with the requirements for producing the email documents in native format”). The e-mail printouts were *not* in native format; *a fortiori* the database containing the native files constituted Synopsys’s production. A3048 (explaining that “the database was not for the ‘convenience of counsel,’ but rather was the means via which Synopsys and the Customer Defendants produced email to Ricoh”).

Ricoh points to the creation of two *clone* databases and misleadingly represents that Synopsys insisted on having a separate review database. Ricoh Br. 29–30. The pages cited by Ricoh—A3396; A3404–05—do not support this representation. In any event, there were no charges for the cloned database. *See infra* Part II.C and A3512.

Lastly, Ricoh argues—without citation to any authority—that the Stratify database could not have been used for document production because “[f]or a document to be produced, the document should have been bates labeled by the producing party and the receiving party should be able to print a copy for use in a deposition.” Ricoh Br. 32–33. Ricoh is wrong again.

First, Synopsys offered to produce the e-mail as Bates stamped TIFF images, but Ricoh insisted on using Stratify. **A3062–70**. Second, the voluminous e-mails were produced in native format and thus were not amenable to Bates stamping. Instead, as is common with the production of confidential source code, Ricoh could review the production, select pages for printing, and obtain Bates stamped printouts of these pages.

B. Recoverable Costs Associated with Stratify Database

Alternatively, Ricoh argues that the district court improperly awarded \$234,702.43 in costs relating to the “intellectual efforts in assembling and reviewing Synopsys’s ESI.” Ricoh Br. 34. According to Ricoh, these “intellectual efforts” include “Stratify’s hourly fees for custom work requested solely by Synopsys, web-based training fees for Synopsys’s counsel, Microsoft application user license fees for Synopsys’s lawyers, courier charges, media handling fees to and from Synopsys’s counsel, and data processing requested by Synopsys.” Ricoh Br. 35.

As an initial matter, Ricoh waived this argument by failing to present it to the district court. *See Sage Prods., Inc. v. Devon Indus., Inc.* 126 F.3d 1420, 1426 (Fed. Cir. 1997) (“If a litigant seeks to show error in a trial court’s overlooking an argument, it must first present that argument to the trial court. In short, this court does not ‘review’ that which was not presented to the district court.”). Ricoh’s

submissions below never raised this argument. *See* A2773–802 (Ricoh’s Objection to Revised Bill of Costs); A3001–30 (Ricoh’s Motion for Review of Clerk’s Taxation); A3285–306 (Ricoh’s Opposition to Defendants’ Motion for Review of Clerk’s Taxation); A3639–58 (Ricoh’s Reply in Support of Motion for Review of Clerk’s Taxation). Ricoh’s decision to raise this argument for the first time on appeal prejudices Synopsys, who did not have an opportunity to supplement the record with further explanation.

Even if the argument were properly before this Court, however, Ricoh’s extreme position is not supported by its own cited authority. To be sure, the Ninth Circuit has construed § 1920(4) as permitting fees “only for the physical preparation and duplication of documents, not the intellectual effort involved in their production.” *Romero v. City of Pomona*, 883 F.2d 1418, 1428 (9th Cir. 1989). But the *Romero* court made this statement in the context of a party’s request for “expert witness fees, expended for research and analyses by Pomona’s five expert witnesses.” *Id.* 1427. The Northern District of California later distinguished *Romero* on the basis that “[e]xpert research is not the same as Bates stamping, which the Court determines is an aspect of the physical preparation or duplication of documents.” *See Competitive Techs. v. Fujitsu Ltd.*, No. C-02-1673, 2006 WL 6338914, at *8 (N.D. Cal. Aug. 23, 2006). More recently, Judge Whyte of the same court awarded reproduction costs, such as Bates stamping and

electronic scanning. *See Computer Cache Coherency Corp. v. Intel Corp.*, No. C-05-1766, 2009 WL 5114002, at *4 (N.D. Cal. Dec. 18, 2009).

The expenses identified by Ricoh (e.g., user license fees, data processing) are more analogous to the Bates stamping and scanning allowed in *Computer Cache* than the expert research of *Romero*. These costs are “aspect[s] of the physical preparation or duplication of documents.” *Competitive Techs.*, 2006 WL 6338914, at *8. For instance, the cited Stratify invoices include charges for “Data processing and loading,” described as “Native formats data.” **A2228; A2232–33**. The Stratify contract, which both parties executed, disclosed that Stratify would process filtered data and load the processed data into the production databases. **A3369**. For ESI, processing and loading data is at the heart of physically preparing and duplicating documents for production. As such, these costs are taxable under § 1920(4). *See Lockheed Martin Idaho Techs. Co. v. Lockheed Martin Advanced Envtl. Sys., Inc.*, No. CV-98-316, 2006 WL 2095876, at *2 (D. Idaho July 27, 2006) (awarding \$4.6 million in costs for creating a litigation database under § 1920(4) because “the litigation database was necessary due to the extreme complexity of this case and the millions of documents that had to be organized”).

In a footnote, Ricoh argues that processing and media handling expenses are “further inappropriate because Synopsys failed to provide any competent explanation of those expenses . . . similar to the items denied taxation in

Comm[ittee] Concerning [Community] Improvement.” Ricoh Br. 35–36 n.12. This argument is unsound because it conflates two distinct and unrelated issues, namely (i) some other district court’s discretionary *denial* of costs (*see Comm. Concerning Cmty. Improvement*, 2007 WL 4365584, at *5 (“The Court exercises its discretion to deny this cost.”)), and (ii) the district court’s discretionary *award* of costs in this case. *See Save Our Valley*, 335 F.3d at 946. Here, the district court was satisfied with Synopsys’s explanation and exercised its discretion to award costs. Ricoh points to no case in the Ninth Circuit that supports the paternalistic approach of second guessing whether the district court understood a prevailing party’s explanation of expenses. Such a rule is particularly inappropriate in the context of cost awards, where “[a] district court needs no affirmatively expressed reason to tax costs.” *Save Our Valley*, 335 F.3d at 946. In any event, the invoices and Stratify contract sufficiently supported Synopsys’s explanation that these costs are “aspect[s] of the physical preparation or duplication of documents” in the Stratify database. **A2228; A2232–33**; *see Competitive Techs.*, 2006 WL 6338914, at *8.

C. Agreement to Share Upfront Costs of Stratify Database Does Not Preclude Cost Award

Ricoh next argues that the parties’ agreement to share certain upfront costs of the Stratify database precludes the district court’s award of costs. The district court rejected this argument because “[t]he parties prior compromise as to the method of data production for e-mails . . . is not an agreement as to the taxability

of data production costs.” A13–14 (citing *Thabault v. Chait*, No. 85-2441, 2009 U.S. Dist. LEXIS 576, at *15–16 (D.N.J. Jan. 5, 2009)). In *Thabault*, the parties agreed to share the cost of daily transcripts during trial, and the district court agreed with the prevailing party that doing so “is a far cry from agreeing . . . about what costs the prevailing party could recover.” 2009 U.S. Dist. LEXIS 576, at *16.

On appeal, Ricoh relies on the Supreme Court’s decision in *Crawford* for the proposition that parties can limit § 1920 by contract, which—according to Ricoh—precludes “having [Synopsys’s] portion of the shared costs taxed to Ricoh.” Ricoh Br. 36 (purporting to rely on the holding of *Crawford*). Ricoh’s reliance is misplaced.

First, *Crawford* did not involve a contract relating to costs. Second, the *Crawford* Court reined in cost awards for expenses not enumerated in § 1920. 482 U.S. at 441–45. The Supreme Court stated as follows:

We hold that absent explicit statutory or contractual authorization for the taxation of the expenses of a litigant’s witness as costs, federal courts are bound by the limitations set out in 28 U.S.C. § 1821 and § 1920.

Id. at 445. In other words, federal courts can award costs only for (a) expenses listed in §§ 1821 and 1920, (b) expenses listed in a different statute that authorizes cost awards, and (c) expenses for which a contract provides authorization. The Supreme Court did *not* hold in *Crawford* that a contract can *divest* federal courts of

authority to award costs enumerated in § 1920. Thus *Crawford* does not support Ricoh's argument.

Ricoh cites three other decisions for the proposition that the parties' agreement precluded the district court from awarding these costs to Synopsys. Ricoh Br. 36. But in all three cases—*Thomas*, *El Dorado*, and *Sun Studs*—the court either denied costs or upheld denial of costs, and all three cases are further distinguishable on their facts. See *Thomas v. Duralight Co.*, 524 F.2d 577, 590 (3d Cir. 1975) (holding only that the district court's decision to deny costs was "proper"); *El Dorado Irrigation Dist. v. Traylor Bros., Inc.*, No. CIV. S-03-949, 2007 WL 512428, at *9 (E.D. Cal. Feb. 12, 2007) (finding that prevailing party had itself requested the transcripts for which it was now seeking costs); *Sun Studs, Inc. v. ATA Equip. Leasing, Inc.*, Civ. No. 78-714, 1990 WL 293887, at *1 (D. Or. Dec. 12, 1990) (determining that expenses were for lawyer's convenience). Accordingly, these cases do not support a conclusion that this district court's *award* of costs was an abuse of discretion.

Lastly, Ricoh argues that the district court's cost award gave Synopsys double recovery because "Ricoh has already paid for its own database." Ricoh Br. 37. Ricoh's argument is, at best, misleading. The contract cost for creating a *clone* database was only \$5,000. A3371. But Synopsys did *not* seek to recover the cost for setting up the clone database because *Stratify waived those costs*. A2223–26.

Instead, Synopsys sought to recover—and the district court awarded—the cost of producing the voluminous e-mail that Ricoh demanded, including upload costs at Stratify’s rate of \$2,600 per gigabyte of data. A3512; A3372. Moreover, Ricoh’s purported authority—*Computer Cache*—did not address double recovery. 2009 WL 5114002, at *3. Rather, in that case, Intel produced documents to correct an earlier incorrect production, and Intel sought recovery only for the second production. *Id.*

* * *

Accordingly, this Court should uphold the district court’s award of \$235,281.03 in costs for the Stratify database.

III. Exemplification Fees and Copy Costs

Ricoh challenges the district court’s award of \$322,515.71 in additional costs under § 1920(4) because, according to Ricoh, these exemplification and copy expenses were not “necessarily obtained for use in the case.” Ricoh Br. 37, 39–43. In the alternative, Ricoh challenges \$56,144.62 in costs for so-called blowbacks, \$1,103.71 for document assembly fees, and \$612.68 for alleged expedited shipping fees. Ricoh Br. 37, 43–45. As explained below, the district court did not abuse its broad discretion in awarding these costs.

A. Costs Awarded for Exemplification and Copies Necessarily Obtained for Use in the Case

Ricoh seeks a reduction of \$322,477.82 under § 1920(4) and Local Rule 54-3(d) because, according to Ricoh, these costs were not awarded for “original responses to discovery requests” that were necessarily obtained for use in the case. Ricoh Br. 37–40. Ricoh also argues that Synopsys failed to provide supporting documentation. Ricoh Br. 40–43. Both arguments are wrong.

First, Local Rule 54-3(d)(2) provides that “[t]he cost of reproducing disclosure or formal discovery documents when used for any purpose in the case is allowable.” Civil L.R. 54-3(d). Purporting to rely on *Pixion Inc. v. PlaceWare Inc.*, Ricoh contends that such costs are *limited* to original responses to discovery requests and Rule 26 disclosures. Ricoh Br. 38–39 (quoting *Pixion*, No. C 03-02909, 2005 WL 3955889, at *3 (N.D. Cal. May 26, 2005)); *see also* Ricoh Br. 40 (citing *Pixion*). Ricoh misconstrues *Pixion*.

In that case, a clerk awarded costs for photocopies of documents that PlaceWare produced to Pixion, and Pixion moved for review of the clerk’s award. 2005 WL 3955889, at *2–3. Pixion argued that these costs are not recoverable under Local Rule 54-3(d)(2) because, according to Pixion, “the term ‘formal discovery documents’ means only discovery requests and responsive pleadings, ‘not all the paper that is produced in the case.’” *Id.* at *3. PlaceWare defended the award on the basis that § 1920 and the Local Rules authorize costs for “documents

produced in response to Pixion’s discovery requests and in compliance with PlaceWare’s Rule 26 disclosure obligations.” *Id.* The district court agreed with PlaceWare, holding that although formal discovery documents include original written responses and Rule 26 disclosures, they are *not* limited to such material. *Id.* In fact, the *Pixion* court *awarded* costs based on copies beyond the limited definition proposed by Pixion—and now suggested by Ricoh.

Second, Ricoh argues that Synopsys failed to provide documentation showing that these costs were taxed for exemplification and copies “necessarily obtained for use in the case.” Ricoh Br. 39–43. Ricoh complains specifically that some invoices do not show the Bates range of documents copied. Ricoh Br. 41. The district court already rejected Ricoh’s argument “because these costs were primarily incurred in connection with the parties’ document productions” and because “Synopsys provided invoices with sufficient detail as required by the Local Rules.” A11 (citing A2652–58). Ricoh cites no authority requiring the identification of Bates ranges. And the law does not require that much detail. *See Summit Tech.*, 435 F.3d at 1380 (explaining that “section 1920(4) does not demand page-by-page precision” and requires only “a calculation that is reasonably accurate under the circumstances”).

In any event, Synopsys submitted much more than a mere conclusory statement in support of its bill of costs. Synopsys submitted invoices, spreadsheets

from counsel's accounting departments showing money actually paid plus a description of expenses, and a sworn declaration supporting the costs. *See* **A1354**; **A1796–2290**; **A2652–58**; **A2670–71**. Thus the district court did not abuse its discretion in concluding that Synopsys provided sufficient documentation.

At a minimum, Ricoh has not demonstrated that the district court abused its discretion with respect to *specific* exemplification and copy expenses—choosing instead to lump all such expenses together despite the particularity provided by Synopsys. Ricoh, for example, states that Synopsys justifies these costs by identifying them as “reproducing discovery” in exhibits and a declaration. Ricoh Br. 40 (citing **A2670–71**; **A1354** ¶ 9). Ricoh's statement is misleading because “Reproducing Discovery” is simply the title assigned to Exhibit E in Synopsys's bill of costs. The substance of the exhibit itself, by contrast, provided sufficient support for the district court to award costs. **A11** (citing **A2652–58**). Furthermore, Ricoh's attempt to rely on a few *exemplary* expenses is inaccurate. Ricoh, for instance, argues that the invoice at **A1844** corresponds to an improperly taxed expense. Ricoh Br. 41 n.14. But Synopsys *withdrew* this expense in its revised bill of costs. **A2652** (entry for Ex. 16). Ricoh also states that the invoice at **A1832** simply says “Re: Blowbacks from 10-11 folder.” Ricoh Br. 41. In the spreadsheet accompanying these invoices, however, Synopsys explained that this invoice was for “Document Production (AMI, Aeroflex, Matrox)” —referring to Synopsys's

customers. **A2652.** Inexplicably, Ricoh omits the complete description despite having relied on both of these expenses before the district court. **A3025 n.27.**

Lastly, Ricoh's additional cases are readily distinguishable. Ricoh Br. 42–43. In *Fogelman*, as Ricoh itself admits, the prevailing party provided no itemized breakdown of copying costs beyond distinguishing documents duplicated in house and elsewhere. *Fogelman v. ARAMCO*, 920 F.2d 278, 286–87 (5th Cir. 1991). Here, by contrast, Synopsys provided an itemized breakdown of costs.

In *Haroco*, the district court concluded that only two of three sets of copies were taxable and reduced the cost award by \$1000. *Haroco, Inc. v. Am. Nat'l Bank & Trust Co. of Chicago*, 38 F.3d 1429, 1441 (7th Cir. 1994). The Seventh Circuit remanded because the district court provided *no* explanation for why \$1000 was a reasonable reduction. *Id.* Here, the district court thoroughly explained its award and reduction of costs, and Ricoh does not allege otherwise. **A1–18.**

In *Competitive Technologies*, certain invoices failed to demonstrate that “the multiple copies that were made for team members were necessarily obtained for use in the case rather than for the convenience of counsel.” *Competitive Techs.*, 2006 WL 6338914, at *8. Here, Ricoh has not identified any expenses that Synopsys described as simply multiple copies for team members. And again, one district court's discretionary *denial* of costs does not compel this Court's reversal of a discretionary cost *award*. See *Save Our Valley*, 335 F.3d at 946.

B. Ricoh's Alternative Arguments Lack Merit

Ricoh alternatively challenges \$56,144.62 in costs for blowbacks,³ \$1,103.71 for document assembly fees, and \$612.68 for expedited shipping fees. Ricoh Br. 37, 43–45.

As for blowback costs, Ricoh argues (1) that blowbacks of documents produced in electronic form are not original discovery responses, and (2) that these blowbacks were not necessarily obtained for use in the case. Ricoh Br. 43–44. As to the former, there is no “original discovery responses” requirement for the reasons explained *supra*. See *Pixion*, 2005 WL 3955889, at *3. As to the latter, Ricoh provides mere conclusory allegations that Synopsys submitted “no justification.” Ricoh Br. 44. Ricoh is wrong because Synopsys submitted invoices, spreadsheets from counsel’s accounting departments showing money actually paid plus a description of expenses, and a sworn declaration supporting the costs. See A1354; A1796–2290; A2652–58; A2670–71. Moreover, the costs for printing documents that are available in electronic form are recoverable. See *Tahoe Tavern Prop. Owners Ass’n v. U.S. Forest Serv.*, S-06-407, 2007 WL 1725494, at *2 (E.D. Cal. June 14, 2007) (permitting recovery costs for “heavy litigation” copying, three additional sets of black and white copies, scanning/OCR, CD duplication); *Scherer v. Home Depot U.S.A., Inc.*, No. S-04-0109, 2007 WL

³ The word “blowbacks” is “a term that is used for paper printouts from electronic formats such as CD-ROMs.” *Competitive Techs.*, 2006 WL 6338914, at *10.

1087045, at *1 (E.D. Cal. Apr. 10, 2007) (allowing recovery of charges for printing the contents of a CD).

With respect to document assembly and shipping fees, Ricoh argues that these costs together are not taxable under § 1920(4) and Local Rule 54-3(d)(2) because they are “ordinary business expenses” not part of the “physical preparation and duplication of documents.” Ricoh Br. 44–45. Ricoh is wrong and has not demonstrated that the district court abused its broad discretion in awarding these costs. Tabs and binders were necessary in this case due to the voluminous amount of documents requested by Ricoh. **A3333**. If these documents were not tabbed and put into binders, it would be incomprehensible for the parties to review the documents, or even know on which page a document begins and ends. In *Tahoe Tavern*, for example, the court permitted costs for “heavy litigation” copying, which normally involves the use of tabs and binders. 2007 WL 1725494, at *2; *see also Art Attacks Ink, LLC v. MGA Entm’t, Inc.*, No. 04cv1035, 2008 U.S. Dist. LEXIS 21476, at *8 (S.D. Cal. Mar. 19, 2008) (taxing costs for tabbing because “tabs greatly assist in identifying voluminous exhibits”). By contrast, in the case relied on by Ricoh—*MEMC Elec. Materials v. Mitsubishi Materials*, No. C-01-4925, 2004 WL 5361246, at *12 (N.D. Cal. Oct. 22, 2004)—it appears that the prevailing party did not show the necessity of using tabs. Synopsys made such a showing here; thus the district court did not abuse its discretion in awarding costs.

With respect to purported expedited shipping fees, Ricoh simply cites the total “Amount to Reduce for Shipping” in **A2946**. On closer examination, however, Ricoh actually challenges charges incurred for shipping via FedEx, taxes, and/or other shipping expenses. None of the costs are characterized in the invoices as “expedited shipping,” and Ricoh cites no evidence to the contrary.⁴ Accordingly, the district court did not abuse its discretion in awarding these costs.

IV. Deposition and Interpreter Costs

Ricoh challenges the court’s award with respect to various deposition expenses. Ricoh seeks the following specific reductions: \$102,070.67 for depositions not cited in Synopsys’s successful summary judgment motion; \$29,176.61 for interpreter fees incurred in connection with these depositions; alternatively \$43,217.85 for video deposition transcripts; and \$1,549.69 for cancellation fees. Ricoh Br. 45–52. None of these awards was an abuse of discretion.

⁴ To the extent the Court finds it necessary to double-check the district court’s work, it will see that the disputed charges in Exhibits E-5, E-32, E-97, E-105, E-174, and E-176 are not for “[e]xpedited shipping” and were thus not an “illustrat[ion of] the District Court’s abdication of its obligation to follow § 1920.” Ricoh Br. 45. *See, e.g.*, **A1820**, **A2652**, and **A2838** (E-5); **A1881–83**, **A2652**, and **A2859** (E-32); **A2018**, **A2654**, and **A2892** (E-97); **A2041–44**, **A2655**, and **A2898** (E-105); **A2221**, **A2657**, and **A2937** (E-174); and **A2235–39**, **A2657**, and **A2937** (E-176).

A. Transcripts of Depositions Necessarily Obtained in the Case

Ignoring the more than 200 exhibits the parties cumulatively cited on summary judgment, and ignoring that the district court had set the litigation for trial, Ricoh argues that “only costs of the written transcripts of the six depositions that were actually used with the dispositive summary judgment motion are taxable.” Ricoh Br. 45–48. The district court expressly rejected this argument. **A15** (citing *Gordon v. Prudential Fin. Inc.*, No. 06cv02304, 2009 WL 188886, at *3 (S.D. Cal. Jan. 23, 2009)). In *Gordon*, the court awarded costs for copies of deposition transcripts over plaintiff’s argument that defendants did not use any of the depositions in support of their motion for summary judgment. 2009 WL 188886, at *3 & n.3 (finding it unnecessary to even reach the argument because “the depositions, at the time they were taken, could reasonably have been expected to be used for trial preparation”). The Eastern District of California has also awarded costs for deposition transcripts not used in trial. See *O’Quinn v. Raley’s*, No. 2:02cv308, 2008 WL 3889573, at *2 (E.D. Cal. 2008). In *O’Quinn*, the court rejected the argument that transcripts not used in trial were not necessarily obtained for use in the case and instead concluded that “[t]he transcripts obtained were reasonable under the circumstances of th[e] case.” *Id.* Here, the district court explained that the depositions “were taken in connection with several relevant aspects of the case, from validity to damage issues.” **A15**; see also **A3517**

(explaining purpose of depositions). The court thus properly exercised its discretion to award costs because “at the time the depositions were taken, it was reasonable to expect that they were for the purpose of trial preparation.” **A15.**

The Ninth Circuit is clear that cost awards are not limited to documents cited in a successful motion for summary judgment. In *Haagen-Dazs Co. v. Double Rainbow Gourmet Ice Creams, Inc.*, the court reviewed for abuse of discretion a district court’s award of costs for copying documents not introduced into evidence in Haagen-Dazs’s successful motion for summary judgment. 920 F.2d 587, 588 (9th Cir. 1990). The district court found that these copies were “necessarily obtained for use in the case.” *Id.* Double Rainbow argued that costs should be limited only to documents made a part of the record. *Id.* The Ninth Circuit disagreed with Double Rainbow, explaining that “[t]his narrow interpretation of section 1920(4) . . . is not supported by the plain language of that section or by case law.” *Id.* (discussing “necessarily obtained for use in the case”). Although the *Haagen-Dazs* case concerned § 1920(4) (exemplification and copies) rather than § 1920(2) (transcripts), the court focused on the phrase “necessarily obtained for use in the case,” which appears in both subsections. *See El Dorado*, 2007 WL 512428, at *10 (“The phrase ‘necessarily obtained for use in the case’ encompasses more than the copying costs of only those documents actually used in the case and made part of the trial record.”).

Ricoh's explanation of Ninth Circuit law, by contrast, is grossly misleading. For example, in *Independent Iron Works, Inc. v. United States Steel Corp.*, the Ninth Circuit upheld an award of costs for copies of transcripts even though (a) none of the 15 depositions taken by defendants were introduced in evidence, and (b) defendants copied 57 transcripts of depositions taken by the plaintiff. 322 F.2d 656, 678 (9th Cir. 1963). Although the Ninth Circuit acknowledged that some of the depositions were used for impeachment, (*id.* at 678), the court also explained that “[h]ad the issue of damages been actually tried, the remainder [of the depositions taken by defendants] might have been similarly employed.” *Id.* The *Independent Iron Works* court also upheld costs for the 57 copies, even though the district court provided no basis for the award. *Id.* at 678–79 (stating that some valid justification may have existed, such as reasonable necessity to hold impeachment within proper limits if plaintiffs used the depositions for impeachment).

Similarly, in *Washington State Department of Transportation v. Washington Natural Gas Co.*, the Ninth Circuit stated that “[d]isallowance for expenses of depositions not used at trial is within the district court’s *discretion*.” 59 F.3d at 806. Contrary to Ricoh’s assertions (including with respect to the appropriate standard of review), this case demonstrates only that disallowance of costs for depositions not used at trial is subject to the trial court’s *discretion*, and that

disallowance is not an abuse of that discretion. *Id.* The inverse also is true. Here, the district court, having set the case for trial (*see* A3758), exercised its discretion to *award* costs for copies of deposition transcripts necessarily obtained for use in the litigation and did not abuse its discretion in doing so. *See Save Our Valley*, 335 F.3d at 946.

Ricoh also challenges the taxation of certain interpreter fees incurred for depositions not cited in Synopsys’s successful summary judgment motion. Ricoh Br. 48. “Ricoh’s sole basis for challenging these costs is that if the depositions where the interpreters were used were not necessary under § 1920(2), then the interpreter costs likewise cannot stand.” *Id.* 48 n.19. The district court did not abuse its discretion in awarding costs for these depositions. *See supra*. Thus this Court should uphold the district court’s award of interpreter fees for these depositions.⁵

Lastly, Ricoh argues *very* briefly that to the extent Local Rule 54-3(c)(1) “compelled the District Court decision,” the Local Rule should be limited or “stricken.” Ricoh Br. 48–49. Ricoh’s sole basis again is that it believes the statute permits awarding costs only for depositions cited in Synopsys’s successful

⁵ Ricoh states misleadingly on page 11 that Synopsys requested \$112,483.75 for interpretation and translation costs. As the district court noted, Synopsys “agreed to withdraw certain costs associated with exhibit translation, interpreter hotel fees, and cancellation fees, reducing the [requested] amount to \$110,122.34.” A16 n.23.

summary judgment motion. Ricoh Br. 49. As Ricoh’s hedging suggests, there is no evidence that the district court was “compelled” by the Local Rule. The district court cited the *Gordon* decision, which is from a different district in the Ninth Circuit. **A15.** The court also explained that the depositions “were taken in connection with several relevant aspects of the case, from validity to damages,” and that “at the time the depositions were taken, it was reasonable to expect that they were for the purpose of trial preparation.” *Id.* In any event, the district court did not abuse its broad discretion in awarding these costs under the *statute* or *Federal Rule*. See *Gordon*, 2009 WL 188886, at *3; *O’Quinn*, 2008 WL 3889573, at *2. Section 1920(2) authorizes district courts to award costs for deposition transcripts necessarily obtained for use in the case and does not limit that authorization to depositions admitted into evidence or cited expressly in successful dispositive motions. 28 U.S.C. § 1920(2).

B. Video Deposition Transcripts Are Taxable

Ricoh argues—in the alternative—that § 1920(2) precludes the award of costs for both video and written transcripts of depositions. Ricoh Br. 46, 49–51. The district court properly rejected Ricoh’s argument and awarded costs. **A9–10.**

Section 1920(2) authorizes the district court to award costs for “printed or electronically recorded transcripts necessarily obtained for use in the case.” 28 U.S.C. § 1920(2). Local Rule 54-3(c)(1) states further that “[t]he cost of an

original and one copy of any deposition (including video taped depositions) taken for any purpose in connection with the case is allowable.” The district court thus concluded that costs for both written and video deposition transcripts are taxable. **A9–10.** Other courts agree. *See Hynix Semiconductor Inc. v. Rambus Inc.*, 697 F. Supp. 2d 1139, 1150 (N.D. Cal. 2010); *Avila v. Willits Env’t*, No. C 99-3941, 2009 WL 4254367, at *5 (N.D. Cal. Nov. 24, 2009); *Pixion*, 2005 WL 3955889, at *2; *MEMC*, 2004 WL 5361246, at *3–5 (finding support in the “scant case law”); *cf. Competitive Techs.*, 2006 WL 6338914, at *6 (costs of videotaping not contested). Notably, Ricoh does not challenge the *validity* of the Local Rule in this respect, and the court’s award is squarely within the discretion permitted under the Local Rule. Moreover, the district court explained that “[a]llowing recovery for both of these fees is more in accord with . . . commonplace practice in patent litigation of videotaping deponents.” **A10.** Even if this Court concludes otherwise, Ricoh provides no explanation for why this Court should award costs for the written transcripts and not the video transcripts.

C. Court Did Not Award Cancellation Fees on which Ricoh Relies

Lastly, Ricoh “calls attention” to \$1549.69 in fees associated with the cancellation of depositions. Ricoh Br. 46, 51–52. Ricoh does not list these fees in its table of disputed amounts at Ricoh Br. 11; thus it is unclear if Ricoh actually

seeks a corresponding reduction in costs. Regardless, the Court should disregard Ricoh's allegations because the district court did *not* award costs for these fees.

Ricoh cites Exhibit C to a declaration submitted in support of its objection to Synopsys's Revised Bill of Costs. **A2832.** Specifically, Ricoh points to the total amount listed in a column titled "Amount to Reduce for Cancellation Fees." **A2832.** The underlying expenses relate to Exhibits C-1 (\$865.26) and C-6 (\$684.43). **A2816.** The Clerk ultimately disallowed \$1928.10 for transcripts. **A2991.** Ricoh moved for review of the Clerk's taxation of costs and argued, among other things, that the court should not tax the cancellation fees in Exhibits C-1 and C-6. **A3017.** Synopsys opposed Ricoh's motion, explaining as follows:

While the Clerk did not explain his reasoning for reducing the fees for transcripts by \$1,928.10, this amount appears to correspond in large part to the cancellation fees shown in Exhibits C-1 and C-5 [sic], which are a total of \$1,549.69. Defendants have chosen to not dispute the Clerk's decision regarding cancellation fees."

A3330 n.6.⁶ Ricoh filed a reply brief asking the district court to reduce the taxation of certain costs by \$101,254.28 and acknowledging as follows:

Ricoh notes that this total does not incorporate the cancellation fees of \$1,549.69 which Defendants' claim the Clerk did not tax and which they do not dispute.

⁶ Synopsys had argued that these cancellation fees were reasonably and necessarily incurred. **A2667** (citing **A2683**).

A3657 (citing **A3330 n.6**). Thus Ricoh conceded that the Clerk did not award costs for cancellation fees in the amount of \$1,549.69—corresponding to Exhibits C-1 and C-6—and even tried pinning down Synopsys to this fact.

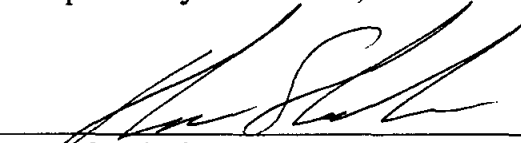
Accordingly, this Court should disregard Ricoh's allegations relating to \$1,549.69 in cancellation fees. The Clerk disallowed these costs, Synopsys did not challenge the Clerk's decision to do so, and Ricoh acknowledged this fact below. **A3330 n.6; A3657**. Ricoh misrepresents the record in claiming otherwise.

CONCLUSION

Synopsys respectfully requests that the Court affirm the district court's (amended) judgment, which awarded costs in the amount of \$938,957.72, plus any applicable post-judgment interest, in favor of Synopsys.

Date: June 20, 2011

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that on this 20th day of June, 2011, two copies of the foregoing **BRIEF OF APPELLEES SYNOPSYS, INC., AEROFLEX INC., AMI SEMICONDUCTOR, INC., MATROX ELECTRONIC SYSTEMS, LTD., MATROX GRAPHICS, INC., MATROX INTERNATIONAL, INC., MATROX TECH, INC., and AEROFLEX COLORADO SPRINGS, INC.** were hand-served on counsel for Appellant Ricoh Co., Ltd.:

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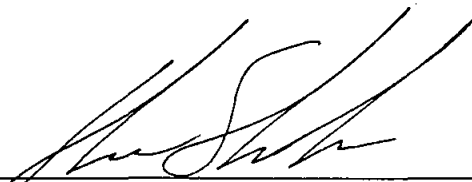
I further certify that on this 20th day of June, 2011, the original and eleven copies of the **BRIEF OF APPELLEES SYNOPSYS, INC., AEROFLEX INC., AMI SEMICONDUCTOR, INC., MATROX ELECTRONIC SYSTEMS, LTD., MATROX GRAPHICS, INC., MATROX INTERNATIONAL, INC., MATROX TECH, INC., and AEROFLEX COLORADO SPRINGS, INC.** were hand-filed at the Office of the Clerk, United States Court of appeals for the Federal Circuit.



Ron E. Shulman

CERTIFICATE OF COMPLIANCE

I hereby certify, pursuant to Federal Rule of Appellate Procedure 32(a)(7)(B) and the Rules of this Court, that the foregoing brief has been prepared in a proportionally spaced typeface using Microsoft Word in Times New Roman 14-point font, and contains 8827 words (excluding the parts of the brief exempted by Federal Rule of Appellate Procedure 32(a)(7)(B)(iii) and by Federal Circuit Rule 32(b)).



Ron E. Shulman