IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

American Society for Testing, Materials, et al. Plaintiffs, vs. Public.Resource.Org, Inc., Defendant.	)	File No: CV 13-1215 Date: December 4, 2014 Time: 11:30 a.m. MOTION HEARING
American Educational Research Association, Inc., et al. Plaintiffs, vs. Public.Resource.Org, Inc., Defendant.	)	File No: CV 14-857 Date: December 4, 2014 Time: 11:30 a.m. MOTION HEARING

TRANSCRIPT OF MOTION HEARING
HELD BEFORE
THE HONORABLE TANYA S. CHUTKAN
UNITED STATES DISTRICT JUDGE

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THE COURT: One minute, still, of good morning. Sorry for the delay. We had a lengthy argument this morning.

THE CLERK: Civil action 13-1215, American Society for Testing Materials, et al., versus Public.Resource.Org, Incorporated, and American Educational Research Association Incorporated, et al., versus Public.Resource.Org, Inc., CV 14-857. Counsel, please step forward to the podium and state your appearances for the record.

MR. FEE: Good morning, Your Honor. Kevin Fee from Morgan, Lewis on behalf of ASTM.

THE COURT: Good morning.

MR. KLAUS: Good morning, Your Honor. Kelly Klaus from Munger, Tolles and Olson on behalf of the National Fire Protection Association.

THE COURT: Good morning.

MR. STOLTZ: Good morning, Your Honor. Mitchell Stoltz on behalf of Public.Resource.Org, Incorporated.

THE COURT: Good morning, Mr. Stoltz. All right. Let me just make sure I have -- so, Mr. Fee, Mr. Stoltz, and we have one more.

MR. STEINTHAL: Yeah, Kenneth Steinthal, from King and Spalding, representing plaintiff American Society of Heating, Refrigerating, and Air Conditioning Engineers.

MR. HUDIS: Your Honor, we're in the 857 case.

THE COURT: Please come forward.

MR. HUDIS: Good morning, Your Honor. Jonathan Hudis for the plaintiffs in the 857 case, AERA, APA, and NCME.

MS. COONEY-PORTER: Kathleen Cooney-Porter from Oblon, Spivak, same plaintiffs.

THE COURT: Mr. Stoltz, are you here on that case as well?

MR. STOLTZ: Yes, I am, Your Honor.

THE COURT: We have Miss Cooney-Porter and Mr. Hudis for the 857, we have Mr. Fee, Mr. Klaus. And is there somebody else?

MR. STEINTHAL: Mr. Steinthal.

THE COURT: Your name wasn't on the list. Okay. I can't promise I'm going to remember all of this, but I'm going to do my best.

First question I need to ask is, obviously, these cases have not been consolidated. And under the rules, it doesn't appear that they have to be. But I'm going to ask the parties if they want them consolidated?

MR. HUDIS: No, Your Honor. On behalf of the plaintiffs in the 857 case, no, we do not want consolidation.

THE COURT: Okay. That's fine.

MR. STOLTZ: Your Honor, on behalf of Public

Resource, we also do not want them consolidated.

THE COURT: Great. We're a consensus. We will not consolidate the cases. But we are here on the joint motion for a jury -- motion to strike the jury demand. The arguments are similar in the case. And so let me hear from -- who wants to go first? Maybe I'll do it that way.

MR. HUDIS: We settled on Mr. Fee.

THE COURT: All right. Mr. Fee, you drew the short straw.

MR. FEE: Thank you, Your Honor. As you know, this case involves three not-for-profit standards development organizations that write standards to encourage consistent practices among private actors, with the goals of advancing public safety, ensuring compatibility, and spurring innovation. The cost of creating these standards are underwritten, at least in part, by the licensing and sale of the standards that are written by these SDOs, as they're called.

From time to time government entities incorporate by reference some of these standards. You know, any government throughout the United States. And in those circumstances, the SDOs make sure that these standards are reasonably available to the public. Just by way of example, ASTM provides access to all standards that are incorporated by reference by the federal government on a free online

reading room on its website. As a result, the standards that are incorporated by reference by government agencies are easily accessible to the public as they are needed.

Nevertheless, the defendant in this case, Public.Resource.Org has begun a campaign of copying hundreds, if not thousands, of standards that have been written by SDOs, without any license from any of the owners of those copyrights. Moreover, Public Resource encourages the public to disregard the copyright ownership of the plaintiffs in this case by encouraging them to make copies of derivative works of the standards that are made available on Public Resource's website. As a result, the plaintiffs, unfortunately, were required to bring this action to bring this infringement to a stop.

Now, in the complaint, it's important to note, that none of the plaintiffs sought any monetary relief in the form of damages and only sought equitable relief in the form of an injunction, plus the recovery of attorney fees.

THE COURT: Let me stop you there, Mr. Fee. Is it your position that copyright infringement is a legal claim or an equitable claim?

MR. FEE: Your Honor, I think that question is answered entirely based upon the remedies that are sought in a particular case. If -- and, for example, a copyright plaintiff seeks a reward of actual damages, for example,

that would probably be considered a legal claim to which a jury right would attach. But the case has uniformly made clear that in circumstances involving both copyright and trademark infringement, as well as patent infringement, that if the plaintiff or IP owner does not seek monetary relief, then it is deemed to be an equitable claim and no jury right attaches to that claim.

THE COURT: Even if the claim is equitable, overall, are there any legal issues remaining?

MR. FEE: There are -- just want to make sure we're talking about legal issues in the context of what would enable a jury trial right here. Certainly if there are going to be legal issues that Your Honor is going to have to decide. In fact, we believe that this case is going to be appropriate for summary judgment at some point in time.

So we believe it will be a legal issue. But if we're talking about whether or not a claim like this has legal claims that would subject the parties -- or, give the parties a right to a jury trial, we don't think that there's any legal claims in that context in this particular case.

THE COURT: Did you find, in your research, any cases that discussed whether infringement is a legal or equitable claim?

MR. FEE: I think all the cases we're referring to

discuss that, bearing in mind that what really is outcome determinative in those cases is the remedy sought. We've cited case from the Seventh, Eighth and Ninth Circuit and Federal Circuit, all which conclude that when an IP rights owner does not seek monetary damages, then it's not -- it's not a legal claim and equitable claim and no jury trial right attaches.

THE COURT: Please continue.

MR. FEE: As I was saying, we didn't -- in the complaint did not seek any actual damages and only seek the injunction and attorney fees. And for that reason we did not demand a jury trial because no jury trial would be available for such claims.

In response to the complaint, Public Resource filed an answer and asserted affirmative defenses and did also file a declaratory judgment counterclaim alleging both noninfringement of the copyrights and the trademarks at issue. Now, ever since that was bought to our attention by the filing of the answer and counterclaims, we've raised the issue with Public Resource about the fact there aren't any bases for a jury trial demand here. We pointed out that all of the courts that have ever addressed this issue have concluded no jury trial attached to those types of claims and they've never been able to cite a case holding otherwise. Nevertheless, we were unable to get them to

voluntarily dismiss their -- or, strike their jury trial demand and, therefore, we're here today on this motion.

Now, as a starting point, as Your Honor probably knows, the Seventh Amendment right to the jury trial is limited only to suits at common law and does not include cases in equity, as we've already talked about. Now, courts generally look at a two-step analysis to figure out whether or not a case is a common law suit or an equity suit. Typically they would first look at the claims at issue and compare them to what would be a comparable claim in the 18th century in England, which is, you know, before the courts in England merged to a law in equity.

And then part two, and what even the Supreme Court has said is by far the most important part is they would examine the remedies in the case and determine whether they were equitable in nature. Now, the Seventh Circuit, I think has said it most clearly through Judge Posner, but the Supreme Court has said this as well, that where a suit seeks just equitable relief, the first step of that two-pronged analysis is not really important because it is not a suit at common law, if only equitable relief is sought. Therefore, if -- the defendant does not have a right to a jury trial when the plaintiff requests only equitable relief. And as I mentioned, courts have uniformly held that principle to apply in connection with IP cases, including copyright and

trademark cases, like we have here.

And I'd briefly mention, as well, that although we're requesting attorney fees, it's clear that the request for attorney fees is also not deemed to make the claim a legal claim and does not attach the jury trial right to that claim, as well.

THE COURT: Continue.

MR. FEE: And although they don't expressly say so, I don't believe that Public Resource is even arguing here today that they have a right to a jury trial as a result of any of the claims in the complaint. What I understand their argument to be primarily, at least, is that because they brought a declaratory judgment action claim as a counterclaim, that somehow entitles them to a jury trial right.

THE COURT: I'm not even sure if that's it, but we'll be able to find out.

MR. FEE: They'll be able to clarify it for us. But what is clear with respect to our claims is that a plaintiff does not assert -- or, asserts only equitable relief, then there is no entitlement to a jury trial.

THE COURT: What about if -- does Public Resource get a jury -- are they allowed to assert a right to a jury trial if you could have?

MR. FEE: Right. Well, I think that that is --

or, has been their primary argument. I'm not sure if they're continuing to make that one today. But Your Honor, I'm sure, is referring to the fact that in their opposition to our motion to strike the jury demand, I think they argue that their declaratory judgment claim entitled them to a jury because even though we hadn't asserted a claim for damages, we could have done so. And that was really based upon one single case, the *Lockwood* case from the Federal Circuit.

Now, I think it's important to understand what's going on in the *Lockwood* case, so we understand what the holding of that case is.

THE COURT: It's important and it's difficult.

MR. FEE: Well, the *Lockwood* case was a patent infringement case.

THE COURT: In the 18th century, correct?

MR. FEE: No. The *Lockwood* case was more recent than that.

THE COURT: No, it just talked about 18th century.

MR. FEE: Oh, yeah. It goes back -- it does a lot of 18th century analysis in it. But it involved a patent case, actually, where the plaintiff did seek damages originally, unlike this case. The counterclaims by the defendant in that case included a declaratory judgment for invalidity. During the course of the case the district

court decided that summary judgment was appropriate on the infringement issue and, therefore, the only claim that was remained to be tried was a validity question and there was no possibility of damages at that point in time.

Now, the other thing that's important about *Lockwood* and is different from our case is it was the patentholder was the one asking for the jury trial, not the defendant. And what the court in *Lockwood* did is it went back and looked historically at how patent claims would have been handled prior to the merger of law and equity courts and it concluded under patent law, the decision as to whether or not a case would be deemed -- or, tried in a court of law or in a court of equity depended upon what remedies were sought by the patentee. And if the patentee only sought equitable relief, then it would be heard in an equitable court. And if the patentee sought legal damages, it would wind up in the court of law and it would have a right to a jury trial.

Now, in that particular case the court did go on, then, to hold that it was up to the patentee, after reviewing the 18th century history of patent law, to decide whether or not it was going to pursue a legal claim or an equitable claim and, therefore, would provide a right to a jury trial if the patentee, or the IP owner, was the one who wanted the patent trial to be before a jury. It didn't give

the accused infringer any say or any right into figuring out whether or not there should be a jury trial in this case.

THE COURT: Your argument is that if you wanted a jury trial in this case you couldn't use *Lockwood* to request it, is that right?

MR. FEE: Well, that's actually -- I don't think we need to go that far because we --

THE COURT: No, had you not requested -- in other words, I think you could use *Lockwood* even if you had brought a different kind of suit.

MR. FEE: That is possible. It's not just my interpretation of *Lockwood*, right, Your Honor, because as we cited in our briefs and in the reply brief especially, subsequent to *Lockwood* the Federal Circuit described what its holding was in *Lockwood* and clarified this issue. And this is actually a case that we cited in our moving briefs, but we didn't focus on this point quite as much because we didn't anticipate that they would argue *Lockwood* should be interpreted contrary to subsequent law.

THE COURT: This is *Tech. Licensing*?

MR. FEE: Yeah, that's the *Tech. Licensing* case. And in that case the Federal Circuit -- let me find the exact quote here because I think it's exactly on point about what we're talking about here. It says, quote, *Lockwood* does not stand --

THE COURT: Is that page -- what's the page number there?

MR. FEE: I'm sorry. 1290, Your Honor.

THE COURT: Okay.

MR. FEE: The court held, quote, "*Lockwood* does not stand for the proposition that a counterclaim for invalidity always gives rise to a right for a jury trial for either party on the ground that it is an inverted infringement action and that the patentee at common law had the right to a jury by filing an infringement action and seeking damages.

It says, "Instead, the more accurate reading of *Lockwood* is, one, it preserves to the patentee," that is, the IP owner, "the right to elect a jury by seeking damages in the infringement action or a counterclaim. And, two, the action caused infringer or declaratory judgment counterclaimant is entitled to a jury trial only if the infringement claim, as asserted by the patentee, would give rise to a jury trial.

"Thus, if the patentee seeks only equitable relief, the accused infringer has no right to a jury trial, regardless of whether the accused infringer asserts invalidity as a defense or a separate case," as in this case.

Except for that's a patent case, that's exactly

the circumstance we're faced with here. We have an IP owner who has not asserted damages case. We have an accused infringer who has a declaratory judgment counterclaim. The patentee, or in our case the IP owner, has not sought a jury trial. Under those circumstances, the Federal Circuit question makes clear that there's no entitlement to a jury trial, as does all the cases that we've cited that addresses in the context of trademark and copyright cases.

So under those circumstances, Your Honor, we don't think there's any basis for a jury demand in this case.

But I do also want to address one last argument that -- or, case, at least, that's been relied upon by Public Resource, and that is the *Sanofi* case. That is, again, another patent case where there was no possibility that the patentee could have claimed damages because it was a pharmaceutical case where the infringement claim was bought before any infringement products were manufactured or sold. Under those limited circumstances, the court said that a jury trial is available for a declaratory judgment of noninfringement where the party claiming the patent rights could choose either to pursue a legal or equity claim.

So, again, the court was looking at the patentee or IP owners having the right to seek a jury trial, not the defendant. But Public Resource attempts to extrapolate from that case this argument that you just mentioned, that if you

could have pursued a jury trial right, that somehow that enables the declaratory judgment defendant or declaratory judgment plaintiff to pursue a jury trial, as well.

THE COURT: And *Sanofi* was decided before to *In re Tech. License*.

MR. FEE: That's another important point, Your Honor.

THE COURT: You can see *Tech. Licensing* may have been trying to clear up any confusion.

MR. FEE: Yes. So, unless Your Honor has any questions, we think it's pretty clear that there's no entitlement to a jury trial here and we can step aside for our opposing counsel.

THE COURT: Thank you.

Mr. Stoltz?

MR. HUDIS: Your Honor, what we decided to do was all the plaintiffs arguments first, and then Mr. Stoltz could answer everything at once.

THE COURT: All right. And that's fine with you?

MR. STOLTZ: Yes, that's all right.

THE COURT: That seems to make sense. All right. Thank you.

MR. HUDIS: Good morning, Your Honor. Jonathan Hudis from Oblon and Spivak on behalf of the plaintiffs in the 857 case, American Educational Research Association,

American Psychological Association, and the National Counsel on Measurement in Education. If Your Honor doesn't mind, I will refer to them by their acronyms, AERA, APA, and NCME against Public Resource.

We, too, are three nonprofit plaintiffs and for the purposes of this lawsuit, our three clients combined to produce, it is now in its multiple editions since the 1950s, a standards of best practices in educational and psychological testing. And it is used by the federal government and state agencies when they procure psychological and educational testing batteries.

So instead of making up these best practices themselves when procuring these testing batteries, they rely on our clients to -- excuse me, just went dry. They rely on our clients to say if you are going to produce these tests for us, you will comply with these best practices.

THE COURT: Are these the standardize -- are you all -- the standardized, is it the SAT or ACT?

MR. HUDIS: Those tests, when they are used, comply with best testing practices that our clients put together. So that when those tests are administered, you have questions that are not biased, that the questions are administered fairly, that the testing results are compiled fairly, those kinds of things.

THE COURT: Okay.

MR. HUDIS: So when Public Resource decided that, notwithstanding our copyright ownership, because the best practices relied on by federal and state governments, that this then becomes, quote, the law. Of course, we dispute that contention, and Mr. Malamud, the founder of Public Resource, digitized our printed book. He then put it up on his website and then put it on Internet Archives website.

In distinction with the ASTM plaintiffs, they have claims for copyright and trademark, our claims are limited to copyright infringement and contributory copyright infringement. For purposes of the jury demand issue before Your Honor, there is no difference. In our case we did not and chose not to ask for monetary relief. When they asserted their answer and counterclaims for declaratory relief, Public Resource did not ask for money damages either.

So, I'm reviewing for oral argument today and I'm looking through all the papers that everybody had written and filed with Your Honor and I come back to the Seventh Amendment and it says, quote, "In suits at common law, where the value in controversy shall exceed $20, the right to a jury trial shall be preserved." No one has asked for money; not our plaintiffs, not Public Resource. That should be the end of the matter.

If we want to go further and have the two-step

process of comparing our claims and Public Resource's claims to what their historical equivalents would be in 18th century England before the merger of law and equity, this is, as Mr. Fee said in his case and in our case, this is a claim in equity. Just because legal questions might be answered, as they are in every case, that does not necessarily mean and turn it into a legal case for purposes of a jury demand. For purposes of a jury demand it's got to be the type of legal claim that requests money damages. We did not.

THE COURT: What about Public Resource's argument that because it asks for a legal question --

MR. HUDIS: Well, Your Honor, that's what I just addressed. And I'll answer it again this way: Just because legal questions are answered in a copyright case, as they are in every case, does not make it a legal claim. Here we agree with the arguments Mr. Fee made, which is it turns on whether the relief sought is for money damages or equitable relief, such as injunctions or declaratory relief.

So that argument, Your Honor, we would say is without merit. So, here all the parties have requested equitable relief and as such a suit does not arise at law, and we've cited all kinds of cases, as the ASTM plaintiffs have done, that says in IP suits no right to a jury trial exists where the plaintiffs seek only equitable relief.

Now, Public Resource has asserted affirmative defenses. Those affirmative defenses do not count toward the right to a jury trial. Their counterclaims only seeking equitable relief do not count to the right to a jury trial. And the fact that we, as the ASTM plaintiffs, did request attorney fees and costs, that does not support the right to a jury trial.

So, what does Public Resource say? Now, we should tell you, Your Honor, that you will look in our case for briefing on *Lockwood* in vein. You will not find citations to *Lockwood* because it's not in there. So, what do Public Resource -- what does Public Resource cite? They cite a pair of insurance cases, one in the Ninth Circuit from 1939 and the other one from the D.C. Circuit in 1965.

And here's the argument that you addressed with Mr. Fee, and the argument goes like this: Well, our client, quote, could have, unquote, requested legal remedies. And because we could have, then that turns their declaratory judgment counterclaim into one of a legal request for a remedy. That is not true.

Those two insurance cases, Your Honor, in both instances the insurance company sought declaratory relief that they didn't have to pay on insurance policies. So, whether they were actually brought or could have been brought by the defendants' counterclaim plaintiffs, they

could only assert the right to a money claim. What is the money claim? The right to request payment on the policy. We have the option and took the option of not seeking monetary relief. We have only sought injunctive relief.

So, the simple fact is, our client's choice to seek only equitable remedies should end the inquiry. So contrary to the inapposite cases cited by Public Resource, issues of which they say copyright ownership and fair use do not give rise to the right to a jury trial. And we cited the Eighth Circuit, *Taylor versus Four Seasons* case for that proposition.

The final argument Public Resource makes, at least in our case, is that the filing order of the parties' claims somehow turns their declaratory judgment counterclaim --

THE COURT: Inverts the case? He says because it's supposed to be an inversion.

MR. HUDIS: Correct. And that's citing *Beacon Theaters*. *Beacon Theaters* does not support the argument Public Resource is making.

All right. In that case it was the declaratory judgment, antitrust plaintiff saying we're not violating the antitrust laws. And the counterclaim asserted was for antitrust money damages. So, it is not the filing order and this claim of inverse rights that determines the right to a jury trial. It is the nature of the claims asserted and

sought.

We assert rights to injunctive relief. Public Resource requests rights to declaratory relief, that they are not violating the copyright laws. No one is asking for money damages. That should end the inquiry. We believe that their jury demand in our case should be stricken.

Your Honor, if you have any other questions, I would be glad to answer them. Otherwise, I am do done with my argument.

THE COURT: Thank you. I may have some, depending on what I hear from Mr. Stoltz in this case.

MR. HUDIS: Thank you, Your Honor.

THE COURT: Thank you.

MR. STOLTZ: Good afternoon, Your Honor. Mitchell Stoltz for Public.Resource.org.

The issue here today on this motion is Public Resource's counterclaims for declaratory judgment in both of the actions. And those claims, in both cases, seek to apply an important principle, that copyright law and trademark law cannot be used to restrict access to binding edicts of government.

THE COURT: Hold on a second, Mr. Stoltz. Nobody brought claims for money damages in this case, right?

MR. STOLTZ: That's correct.

THE COURT: All right. What is it you would have

a jury decide in this case?

MR. STOLTZ: Possibly nothing. And I agree with Mr. Fee on this, this case is primarily a legal question that we believe, as I believe ASTM does, you know, can be resolved on summary judgment. But, discovery is ongoing and we just don't know.

THE COURT: Tell me, Mr. Stoltz, I'm -- my background is in trial, so I'm curious, as a practical matter, for how such a trial would be. You say possibly nothing. So, is it your position -- and I'm trying to envision this playing out to a logical conclusion, being a jury trial. What would you have the jury sit and do? What would you have them consider? What evidence would you have them hear?

MR. STOLTZ: I see several possibilities, Your Honor, and discovery is ongoing, so we simply don't know if any issues of material fact may arise. But, I can think of some possibilities. An issue could be the credibility of the witnesses, particularly employees and officers of the plaintiffs, as to what their intent was with regard to incorporation --

THE COURT: Judges make findings in bench trials all the time. Credibility isn't an issue of fact for the jury to determine independent of some jury determinable issue. I mean, credibility is simply what a jury does in

weighing the evidence that is before them. My question is what evidence would properly be before the jury in a case like this?

MR. STOLTZ: Again, Your Honor, testimony and documents that go -- that will go to the plaintiffs' intent to have their standards incorporated and made law.

THE COURT: And the jury would be weighing these factors for a decision on what?

MR. STOLTZ: Decision on the -- potentially the merger of idea and expression, potentially on fair use factors.

THE COURT: All right. Now, I'm sorry, I didn't mean to interrupt you so quickly. But I must ask you this: Could plaintiffs seek a jury trial in this case, even though they didn't bring a claim for damages?

MR. STOLTZ: No, Your Honor, I don't believe they can, not -- having not brought a claim for damages.

THE COURT: And could they seek, plaintiffs seek a jury trial based on your counterclaim?

MR. STOLTZ: Yes, Your Honor, I believe they could.

THE COURT: Why?

MR. STOLTZ: Your Honor, the counterclaim stands apart and alone from the plaintiffs' claims. It is not a mirror image there, it is not an inverse.

THE COURT: But you haven't asked in your counterclaim for money damages, right? You haven't asked for a jury trial -- I mean, plaintiffs haven't asked for a jury trial on their claim. You have filed a counterclaim in which you have a not sought money damages. So, on what basis could the plaintiffs argue that they were entitled to a jury trial on your counterclaim? If they can't get one on theirs, how would they get one on yours?

MR. STOLTZ: The declaratory judgment is neither legal nor equitable. It takes its nature from the nature of the underlying controversy. Traditionally, before the merger of law and equity, there was no such thing as declaratory judgment and only a party claiming a patent or copyright could initiate a case.

The availability of declaratory judgments means that where there is controversy, a party accused of infringement can bring a case, but just as in premerger, the party bringing the claim can choose to proceed in law or in equity and that choice is based -- cannot be based on another party's claims.

THE COURT: Do you have a case for that?

MR. STOLTZ: The case for that is *Lockwood*, Your Honor.

THE COURT: Well, my reading of *Lockwood* doesn't comport with yours. And I think, even more importantly, my

reading of *Tech. Licensing* does not, which you simply say shouldn't apply because it's not binding and not in keeping with American and British jurisprudence. But, I haven't -- my reading of *Lockwood* and my reading of the cases subsequent to *Lockwood* don't come to that conclusion at all.

Can you explain, for example, why you didn't cite *Lockwood* in opposition to the American Educational Research Association's motion to strike?

MR. STOLTZ: I'm sorry, Your Honor, I thought we had.

THE COURT: Maybe you had. I know you cited it in American Society for Testing's opposition. I saw that.

MR. STOLTZ: Well, *Lockwood*, I think, was informed by the Supreme Court cases on the Seventh Amendment in civil actions, specifically, *Beacon Theaters*, *Lee Pharmaceuticals* -- I'm sorry, *Lee Pharmaceuticals* was a Second Circuit case. The *Dimick* case, as well. And those basically said there is -- where there is a Seventh Amendment right, nothing the other party does can make that right go away. Which is really what I think plaintiffs are trying to do in this case.

THE COURT: Mr. Stoltz, do you concede, or do you agree that because plaintiffs didn't bring a claim for damages, you can't demand a jury trial based on their complaint alone? Let's start with that.

MR. STOLTZ: Yes, we agree.

THE COURT: Okay. Do you agree that as a general matter, the nature of the remedy sought is generally controlling for purposes of the Seventh Amendment?

MR. STOLTZ: Yes, but not with regard to declaratory judgments.

THE COURT: Is it your position that the sole reason for the -- your right to a jury trial in this case is because the plaintiff has asserted a declaratory judgment in which it could have asked for a jury trial? I'm not following you.

MR. STOLTZ: There is a controversy between the parties in both cases about whether the standards development organizations can assert a right to control access to the law, the portions of the law that they had originally drafted. That -- Public Resource's claim, which is in part a claim that that assertion is invalid and that they in fact have no copyrights over materials that are binding law of the United States or various states and localities, is exactly the type of claim that's historically been a legal claim at the election of the party bringing it, Public Resource in this case.

THE COURT: And your position that a -- your position is the fact that there is a declaratory judgment requested here, therefore, entitles you to a jury trial? Is

that the distillation of your position?

MR. STOLTZ: Yes, that's correct, Your Honor.

THE COURT: And the case on which you base that is *Beacon Theaters*?

MR. STOLTZ: It's *Lockwood*, *Beacon Theaters*, *Lee Pharmaceuticals*, and --

THE COURT: Can you point me to the language in *Lockwood* which you claim supports your position? Because I'll remind you that in *Lockwood*, the plaintiff patentee demanded a jury trial. Right? That's not the case here.

MR. STOLTZ: That's correct. But the plaintiff patentee's claim for damages was dismissed and not appealed.

THE COURT: But there was a claim -- there was a jury trial demand made by the plaintiff. That's a distinctive difference between that case and this one. My reading of *Lockwood* does not indicate to me that a declaratory judgment in and of itself entitles a claimant to a jury trial.

MR. STOLTZ: Your Honor, *Lockwood* says where the parties' positions have been inverted, meaning because --

THE COURT: But have the parties' positions been inverted in this case, Mr. Stoltz? I understand you're asserting that there is an inversion here, but I actually don't see it. There's maybe a half a way, but this is not the classic inversion of the parties. Or can you tell me

why it is?

MR. STOLTZ: With regard to our counterclaims for declaratory judgment, there is an inversion of the parties because we are the plaintiffs on those claims.

THE COURT: Right.

MR. STOLTZ: And, thus, on those claims, plaintiffs' actions cannot erase the jury right.

THE COURT: I'm going to have to disagree with you on that reading. So *Lockwood* -- your position is that even though the plaintiffs -- well, I did interrupt you. Could you tell me where, in *Lockwood*, you think that the language in *Lockwood* supports your position?

MR. STOLTZ: It's various places, Your Honor. If I could point you to page 977, where the court is distinguishing some of the cases relied on by the plaintiff, the declaratory judgment plaintiff. And I -- I'm sorry, the patentee. Distinguishes the *Shubin* case by saying, "In short, no claim for damages could have been brought."

THE COURT: A claim for damages could have been brought here. And I'm going to point you to the court's language in *Lockwood*, on page 976, where it says, "We cannot, consistent with the Seventh Amendment, deny *Lockwood* that same choice merely because the validity of his patents comes before the court in a declaratory judgment action for invalidity, rather than as a defense for an infringement

suit."

There there had been a claim for a jury trial and the only way patent validity could be raised was through an action for patent infringement by the patentee, that there the patentee would have had the option to bring a case in a court of law or court of equity. And so the Federal Circuit held that the alleged infringer couldn't usurp the patentee's choice by bringing a claim for noninfringement first. That's not the situation we have here, isn't that correct?

MR. STOLTZ: I would argue that it is, Your Honor, because before the merger of law in equity, the party accused of infringement could not be a plaintiff because there was no mechanism for that. So when it speaks of the patentee, I think -- again, referring to the principle from *Beacon Theaters* and *Dimick*, is it's the party bringing the claim who can choose a legal or equitable route.

THE COURT: So how do you square that with *In re Tech. Licensing's* explication of the *Lockwood* ruling? Or you just flat out think *In re Tech. Licensing* is wrong?

MR. STOLTZ: Well, Your Honor, the portion quoted by Mr. Fee is dicta, among other things. *In re Tech. Licensing* is a case where the patentee brought a claim for damages, withdrew it, and then sought a jury trial. There was, in other words, a waiver of Seventh Amendment rights by

the same party asserting them.

THE COURT: So the statement, thus, if the patentee seeks only equitable relief, the accused infringer has no right to a jury trial, regardless of whether the accused infringer asserts invalidity as a defense or a backup claim. Is it your position that that claim is the dictum?

MR. STOLTZ: Yes, Your Honor, because the accused infringer wasn't seeking jury trial in that case, the patentee was.

THE COURT: I'm going to let you go back to your argument. But -- continue.

MR. STOLTZ: Two main points, Your Honor. First, I touched on this, the counterclaim for declaratory judgment, the counterclaims in both cases for declaratory judgment are -- stand separate and apart, as far as their characterizations, legal or equitable. That characterization is not controlled by the claims that the plaintiffs chose to bring. And the reason for that is several. They're not mirror images.

ASTM denied a request for admission, where we ask them to admit that the standards listed in the complaint were the only standards on which they are making claims. They denied that. So although I don't know of others standing here, discovery is ongoing and we don't know,

ultimately, what they're going to claim. We sought declaratory judgments of it before that request for admission. But we sought declaratory judgments, in part, to resolve this controversy for all the standards incorporated by law, by reference into law, published -- they were published by the the plaintiffs.

THE COURT: Is it your position that somehow that something revealed in discovery is going to give you a right to a jury trial? I mean, you've mentioned several times that discovery is ongoing, but I'm not sure why that is relevant to whether you're entitled to a jury trial.

MR. STOLTZ: On this particular point, Your Honor, because we're not entirely sure what -- what documents ASTM is claiming copyright infringement on or trademark infringements. They've given us a list, but they haven't said that that list is exclusive.

THE COURT: How does that impact or affect your jury trial demand?

MR. STOLTZ: It establishes that our declaratory judgment claim is not a mirror image of the plaintiffs claims.

THE COURT: But you still aren't claiming money damages.

MR. STOLTZ: That's correct. We're claiming a determination of legal rights.

THE COURT: And how would a jury ever be allowed to decide that?

MR. STOLTZ: Well, I mentioned several instances where that might happen. The other, Judge, I didn't elaborate on, which is possible, is the fair use defense.

THE COURT: Can you tell me of a case where a jury has been allowed to decide issues like that?

MR. STOLTZ: There have been many cases where a jury has decided the fact underlying the fair use claim.

THE COURT: No. Where a jury has been allowed to determine the legal question involved in a declaratory judgment.

MR. STOLTZ: I don't know one offhand, Your Honor. But a declaratory judgment of fair use is a possibility.

THE COURT: Let me ask a you a hypothetical, Mr. Stoltz. Say you have a case in which there is a jury demand brought by the plaintiffs and the jury demandable claims for money damages are dismissed by way of summary judgment. All that remains is the claim for injunctive relief. There's no counterclaim. Should defendants, in that case, be allowed to argue that the jury should decide the injunctive relief claim because there had been a jury demand that was -- those claims were dismissed?

I mean, in other words, do the defendants in that case get to say, well, you know, they had a jury claim

before, now all we have left is a claim for injunctive relief, which is normally triable by the court, but, you know, we think we should be able to let a jury decide that. Is that allowed?

MR. STOLTZ: No, I don't believe it is. No legal issues would remain.

THE COURT: Well, there's a question as to whether -- say it's an antitrust case and there's a question as to whether it's a violation of the antitrust laws and there's going to be witnesses and there's going to be a full-blown trial, but it's a matter of whether -- the judge has to decide whether there's been a violation of the antitrust laws and whether to issue an injunction to stop it. Does a jury get to weigh the witnesses and weigh the evidence? What do they do?

I'm having a hard time, as a practical matter, figuring out what you would be asking a jury to consider and find in a case like this, without a claim for money damages.

MR. STOLTZ: We would be asking the jury to find facts underlying various aspects --

THE COURT: That would then bind the judge in their declaratory ruling?

MR. STOLTZ: In a declaratory ruling that would foreclose money damages on a set of -- on a controversy.

THE COURT: But money damages haven't been

requested here. So why would we need to do that? I'm really not trying to be difficult. I'm really trying to understand, as a trial judge and a former trialer, how that -- we can talk in theory, but I'm trying to figure out, as a practical matter, what you're asking this court to allow a jury to do?

MR. STOLTZ: Well, if I could direct the court's attention to the Judge Newman's dissent in the *In re Technology Licensing* case. She lists a litany of, in that case, patent cases, but I think the point is relevant here, in which an action for invalidity was tried by a jury, going back, I think, about a century. Says, "Jury trials on the issue of patent validity appear from the early days of the nation's jurisprudence." I'm on page 1294.

"Jury trials involving patent validity are pervasive in our legal history. The reported cases raising no issue of entitlement to a jury, depending on the remedy for infringement.

THE COURT: And I'm not sure how that is -- that's a dissent in that case, but how is that applicable here? Even if it weren't a dissent, how is that applicable to this case? You know, you're -- yeah. I'm not -- I would like that question answered first.

MR. STOLTZ: So, Public Resource's counterclaims are, in part, the equivalent of action for invalidity.

They're the very kind that Judge Newman is describing here. And what this history reveals, whether or not cited in the dissent or cited otherwise, is that those claims, which are not claims for money damages, are historically tried to a jury.

THE COURT: But our Seventh Amendment jurisprudence, across-the-board, is concerned with the nature of the remedy sought. I mean, not the hypothetical remedies that could be available. Right?

MR. STOLTZ: I think the cases cited in Judge Newman's dissent say otherwise. And I think that also leaves aside the holding of *Beacon Theaters* and *Dimick*, which says in a close case, the tie goes to the party seeking a jury trial because of the Seventh Amendment.

THE COURT: You -- why does it matter? Let me ask you this: Why does it matter that plaintiffs could have sought money damages, given that they chose not to?

MR. STOLTZ: Because Public Resource, as the plaintiff on its own claims, stands in the shoes of the hypothetical premerger plaintiff.

THE COURT: Even if you had initiated this case, Mr. Stoltz, you would not -- isn't it true that you still wouldn't have had a claim for money damages? I mean, it would still be up to the plaintiffs to determine whether or not a jury demand was available, based on whether they

sought damages, isn't that right?

MR. STOLTZ: Well, no, Your Honor, because, again, with respect to our counterclaims, the positions are inverted. Plaintiffs have said that -- plaintiffs have said that they could have you sought money damages in this case. So that is the situation. That is the nature of the controversy.

THE COURT: This case appears to the court to be in the conventional posture where the rights holder has sued the alleged infringer. Now, given this posture, why should the court invert this case and consider what claims you, as a defendant, could have brought if you had initiated the case instead of the plaintiffs?

MR. STOLTZ: Because our counterclaims stand apart from the plaintiffs' claims and we brought them and we stand -- we stand in the position of the plaintiffs on those claims and they are not inverses.

THE COURT: If you had brought these claims as a plaintiff in a separate and stand alone case, would you be standing here telling me that these claims, with no claim for money damages, would entitle you to a jury trial?

MR. STOLTZ: Yes. Because I would probably, in that case, show the court a letter or demand or something the equivalent of what the ASTM plaintiffs wrote in their moving papers, which is we could have sought money damages.

THE COURT: But you don't. It's the remedy. I think we are at a fundamental impasse here because my understanding is it's the remedy sought. Not what you could have sought, but what you actually do seek. And this -- telling me about -- pointing me to a piece of paper or something that's going to be revealed in discovery, if you don't ask for the damages, then you're not asking for the remedy that entitles you to a jury trial. If you don't ask for the $20, you don't get the jury trial. Unless there's a whole body of case law out there that I'm unaware of that says something different.

MR. STOLTZ: Well, I would just point the court, again, to the *Sanofi* case, interpreting *Lockwood*, said it was focusing on the type of action the patentee could have brought. Because *Lockwood* could have sought damages. In addition to an injunction, he could have brought an action at law and sought a jury trial.

THE COURT: My reading of *Sanofi* is that it held only that in cases where plaintiffs could not possibly seek damages because the claim is for future infringement, no jury right could ever attach. That is not the same as holding that if there could possibly be damages, the jury right always attaches. Those are two different things. That's how I read it.

MR. STOLTZ: I agree, Your Honor, but the basis of

that holding was the contrary conclusion in *Lockwood*.

THE COURT: I think -- well, it's interesting because *Sanofi*, as I mentioned to Mr. Hudis, was decided before *Tech. Licensing*, the case in which you tell me, you know, that it's incorrectly decided. And it appears that if there is any confusion -- and my reading of *Sanofi*, I don't find it confusing, but to the extent there was any confusion after *Sanofi*, *Tech. Licensing* cleared that up.

MR. STOLTZ: Okay. Your Honor, I think *Tech. Licensing* stands for the proposition that a party, having waived it's Seventh Amendment right, can't reclaim it.

THE COURT: I think that the sticking point here is -- is it your position, Mr. Stoltz, that it is not -- the inquiry is not whether damages are actually sought, it's whether damages could be sought? Is that your point?

MR. STOLTZ: In these circumstances, yes.

THE COURT: All right. I'm sorry. I know I have been jumping around. I'm going to allow you to finish your argument.

MR. STOLTZ: Actually, I have nothing further, Your Honor.

THE COURT: Excuse me?

MR. STOLTZ: I have nothing further.

THE COURT: All right. Thank you.

MR. STOLTZ: Except possibly by way of rebuttal,

if the plaintiffs come back up.

THE COURT: All right. Mr. Fee? Mr. Hudis?

MR. FEE: Your Honor, I don't think we have anything more to add, unless you have any questions for us.

THE COURT: I don't. Thank you.

MR. HUDIS: Three quick points, Your Honor. You asked counsel a question, that if cases, one or the other survive summary judgment and they went to trial, what, if anything, would there be for the jury to decide? Counsel's answer was, "Possibly nothing." And then, upon further questioning from the court, Mr. Stoltz then listed a litany of items that would occur during the trial; credibility of witnesses, intent of the plaintiffs, whether their standards would be incorporated by law. These are all questions that Your Honor could decide at a bench trial.

Mr. Stoltz then said it's the nature -- whether a declaratory judgment action is legal or equitable is not the claim itself, but the underlying controversy. Well, we've all, by now, argued, almost to a fare-thee-well, we look at the underlying controversy, you look at the nature of the relief sought. Both sets of plaintiffs have asked for infringement type -- excuse me, injunctive type relief; that's equitable, not a claim for money damages.

Finally, Mr. Stoltz relies on a litany of cases cited by Judge Newman in her dissent, all based upon the

fact that potentially the question of validity might be giving rise to a jury trial. Well, while Mr. Stoltz was arguing before Your Honor, I looked at our pleadings. There is no assertion of invalidity against our copyright.

THE COURT: I had a question on that.

MR. HUDIS: So, Your Honor, those are the three points I wish to make. If Your Honor has no further questions, we're done.

THE COURT: Thank you.

MR. STOLTZ: Could I make one additional point, Your Honor?

THE COURT: Very quick.

MR. STOLTZ: Mr. Hudis mentioned the issues that I mentioned that have a possibility of arising could be decided by the court in a bench trial. Of course that's true. Those are traditionally issues that are decided by jury in the --

THE COURT: If they are deciding the ultimate issue. Of course, in a normal jury trial where the jury is asked to decide issues of liability or damages, it is the jury's decision to assess the credibility of the witnesses and assess the strength of the evidence. Absolutely. But my question to you is: To what purpose and to what end would a jury be assessing the credibility of witnesses or the weight of the evidence in an action for declaratory

relief? And I -- in other words, would the jury then be reporting to the judge that, okay, we think that you ought to grant this declaratory judgment because we -- I'm just not really understanding your -- I mean, I don't think I need to reach this, okay? I don't think I need to reach the practical effect of allowing a jury in this case.

I think it's -- you know, fundamental jurisprudence talks about the remedy controlling. But as a trial lawyer, former trial lawyer, and as a trial judge, I'm trying to understand what you're asking for, what you're asking this court to order, and the practical effect of that, were this case to go to trial. And I can't quite discern that.

MR. STOLTZ: Well, Your Honor, one possibility would be whether a fairness defense applies.

THE COURT: Isn't that a legal matter for -- isn't that a legal matter for the judge to decide?

MR. STOLTZ: Often, but not always.

THE COURT: So, when we started out, when you started arguing before me, Mr. Stoltz, I asked you -- my first question was what would a jury decide? And your answer was perhaps nothing. Who would decide what the jury would decide? Me? The court?

MR. STOLTZ: What I meant by that, Your Honor, was it will come down to whether there are any disputed issues

of material fact after summary judgment. There may be none. We, frankly, expect that there will likely be none.

THE COURT: So the right to a jury trial is dependent on whether there are disputed issues of material fact? In other words, if you survive summary judgment, you get a jury trial, regardless of what remedy you've sought?

MR. STOLTZ: Not at all, Your Honor. But, the -- a right to a jury trial is -- there's -- obviously, will only come into play if a jury trial is necessary.

THE COURT: But a jury trial is not granted on the basis of necessity. It's granted on the basis of the Seventh Amendment right to a jury trial. And the cases are fairly clear that it is the remedy sought that determines whether one gets a jury trial. The $20, as Mr. Fee cites, that no one is asking for in this case. And if you're asking the court to find some alternate basis because of facts in dispute or the existence of disputed facts, I mean, judges decide those things all the time in declaratory judgment cases or other nonjury demandable context.

Are you saying that if a party in one of those cases wants a jury, they get a jury because there are disputed facts in evidence or that are in existence?

MR. STOLTZ: No, Your Honor. And I apologize for this, for confusing you.

THE COURT: No. I'm really trying to figure out

not just whether -- not just the -- whether you're entitled to jury trial here, but what you would have the jury decide. I'm just struggling with that.

MR. STOLTZ: Well, so another possibility, Your Honor, and this illustrates the point, I think, plaintiffs have more to prove on their affirmative claims than Public Resource has because they're asking for an injunction, which means they have to prove that the balance of harm tips in their favor. They have to prove irreparable injury and they have to prove that the public interest favors an injunction.

Now, summary judgment can be granted on a lack of irreparable injury, on a lack of the public interest balance. This happened in the *Perfect 10 versus Google*, the Ninth Circuit case. In that case -- in a case like that, Public Resource's counterclaim would stand alone.

THE COURT: And Public Resource could -- but I think your point earlier was Public Resource's claim -- counterclaim standing alone wouldn't get a jury trial, right?

MR. STOLTZ: No, Your Honor. In fact, I believe I said the exact opposite.

THE COURT: All right. So what would -- so it would be your position that, were this case to be dismissed tomorrow in its entirety, that you could bring your counterclaim as a standalone claim as a plaintiff and get a

jury trial, is that right?

MR. STOLTZ: Yes.

THE COURT: All right. All right.

MR. STOLTZ: Thank you.

THE COURT: Thank you very much.

Is there anything further?

MR. FEE: No, Your Honor.

THE COURT: Thank you all.

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CERTIFICATE OF OFFICIAL COURT REPORTER

I, JANICE DICKMAN, do hereby certify that the above and foregoing constitutes a true and accurate transcript of my stenograph notes and is a full, true and complete transcript of the proceedings to the best of my ability.

Dated this 17th day of December, 2014.

_____

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